

Official Statement

Livermore - Amador Valley
water management agency

water districts) - Ca - - Ala. co.
Bor de } - - Ca - - Contra Costa
co.

Livermore-Amador Valley

Water Management Agency

Contra Costa - - & an coordi-
tion
Alameda - - " "

*Alameda and Contra Costa Counties,
California*

\$4,200,000

1978 Sewer Revenue Bonds

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

FEB 7 1978

UNIVERSITY OF CALIFORNIA

Bids to be received by a member of the Board of Directors up to 10:00 A.M., Wednesday, February 22, 1978 at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California 94111.

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY
Alameda and Contra Costa Counties, California

BOARD OF DIRECTORS

Dale M. Turner, *Chairman*

L. Charles Ladner, *Vice Chairman*

Kenneth R. Mercer, *Secretary*

Robert C. Philcox

Lila C. Euler

Helen Tirsell

Professional Services

Association of Bay Area Governments, Berkeley
Management Services

Orrick, Herrington, Rowley & Sutcliffe, San Francisco
Bond Counsel

Kenneth C. Scheidig
Agency General Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., San Francisco
Financing Consultants

CH2M-HILL, San Francisco
Consulting Engineers

United California Bank, San Francisco
Fiscal Agent

Manufacturers Hanover Trust Co., New York, New York
The Northern Trust Company, Chicago, Illinois
Paying Agents

The information contained in this Official Statement was prepared under the direction of the Livermore-Amador Valley Water Management Agency by Stone & Youngberg Municipal Financing Consultants, Inc., financing consultants to the Livermore-Amador Valley Water Management Agency.

All of the following summaries of the statutes, charter, codes, resolutions and project reports are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information.

The Official Statement contains estimates and matters of opinion which are not intended as representations of fact. All estimates, statements and assumptions in this Official Statement have been made on the best information available, and are believed to be reliable and correct, but no representation whatsoever is made that such estimates, statements and assumptions are correct or will be realized. This Official Statement is not to be construed as a contract with the purchasers of the bonds.

THE DATE OF THIS OFFICIAL STATEMENT IS JANUARY 27, 1978

78 01310

SEP 05 2024

UNIVERSITY OF CALIFORNIA

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on, and buyers of, \$4,200,000 principal amount of Livermore-Amador Valley Water Management Agency 1978 Sewer Revenue Bonds, the "Bonds," proposed to be issued by the Livermore-Amador Valley Water Management Agency, the "Agency."

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultants to the Agency (which firm will receive compensation from the Agency contingent upon the sale and delivery of the Bonds).

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The agreements of the Agency with the purchasers of the Bonds are set forth in Resolution No. 77-10 of the Board of Directors of the Agency providing for the issuance of the Agency's 1978 Sewer Revenue Bonds. This document will be available to any prospective investor in the Bonds. Reference is hereby made to this document for a complete statement of the rights and obligations of the Agency and holders of the Bonds.

No dealer, broker, salesman or other person has been authorized by the Agency to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The Agency will deliver to the purchaser of the Bonds a certificate of the Chairman of the Board of Directors and Treasurer of the Agency dated the date of bond delivery, stating that as of the date hereof, to the best of the knowledge and belief of said officials, the Official Statement does not contain an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and further certifying that the signatories know of no material adverse change in the condition of the Agency which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds, and authorizing the purchaser of the Bonds to distribute copies of the Official Statement in connection with the resale of the Bonds. 200 copies of the Official Statement will be supplied to the purchaser of the Bonds for this purpose.

The opinion of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, Bond Counsel to the Agency, will be furnished to the successful bidder (see the section entitled "Legal Opinion" herein). The scope of Bond Counsel's engagement in connection with the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions set forth herein under the section entitled, "The Bonds."

Dated January 27, 1978

LIVERMORE-AMADOR VALLEY
WATER MANAGEMENT AGENCY

CONTENTS

Introduction	1	City of Livermore Sewerage System	25
The Bonds	3	City of Pleasanton Sewerage System	27
Authority for Issuance	3	Dublin San Ramon Services District Sewerage System	31
Terms of Sale	3		
Description of the Bonds	3	Agency Member Entities' Financial Data	36
Redemption Provisions	3	Assessed Valuations	36
Notice of Redemption	4	Tax Rates	36
Fiscal Agent	4	Jarvis Amendment	39
Registration	4	Tax Levies, Collections, and Delinquencies ..	39
Legal Opinion	4	Major Taxpayers	41
Tax Exempt Status	4	Fund Balances	41
Other Closing Documents	4	Revenue and Expenditure Summaries	41
Purpose of Issue	4	Debt Statements	45
Security	5	Other Obligations and Contingencies	48
Creation of Special Funds and Accounts ...	5	Pension Plans	49
Disposition of Bond Proceeds	5	Employee Relations	49
Application of Revenues	5		
Investment of Moneys in Funds and Accounts	8	Economy of the Agency's Service Area	50
Additional Bonds	8	Population	50
Maintenance of Fees and Charges	9	Income and Housing	51
Insurance Coverages	9	Area Industrial Development	51
Eminent Domain	9	East San Francisco Bay Area	52
Additional Covenants	10	Transportation	56
Additional Provisions	10	Utilities	57
		Education	57
The Livermore-Amador Valley Water Man-		Community Facilities	58
agement Agency	11	Recreation	58
Creation of the Agency	11	City of Livermore	58
Selection of Project and Funding Mechanism	11	City of Pleasanton	60
Citizen Group Actions	12	Dublin San Ramon Services District	61
Provisions of the Agreement	12		
The Project	16		
San Francisco Bay Basin Water Quality Re-			
quirements	16		
The Agency's Wastewater Export System			
Project	16		
Agency-EBDA Agreement	16		
Receipt of Construction Bids	18		
Construction Cash Flow Advances	19		
Sewer Service Contract	20		
Projected Annual Revenue Requirements and			
Sewer Revenue Bond Service Coverage ..	23		

TABLES

Table 1. Schedule of Maturities	3
Table 2. Creation of Special Funds and Ac-	
counts	7
Table 3. Estimated Sewer Revenue Bond	
Service	20
Table 4. Estimated Revenue Requirements,	
Member Agency Sewer Service	
Payments, and Sewer Revenue	
Bond Service Coverage	24

(Continued on following page)

(Continued from preceding page)

Table 5.	City of Livermore—Water Reclamation and Sanitary Sewer Construction Funds—Revenues, Expenditures, and Fund Balances . .	26	Table 16.	City of Livermore—Statement of Direct and Estimated Overlapping Bonded Debt	45
Table 6.	City of Pleasanton—Sewer and Drainage and Sewer Improvements Funds—Revenues, Expenditures and Fund Balances	30	Table 17.	City of Pleasanton—Statement of Direct and Estimated Overlapping Bonded Debt	46
Table 7.	Dublin San Ramon Services District—Sewer System Enterprise and Sewer Expansion Funds—Revenues, Expenditures, and Fund Balances	33	Table 18.	Dublin San Ramon Services District—Statement of Direct and Estimated Overlapping Bonded Debt	47
Table 8.	Agency Member Entity 1977/78 Assessed Valuations	37	Table 19.	Service Area and County Population Data	51
Table 9.	Agency Member Entity History of Assessed Valuations	37	Table 20.	U.S. Census Data 1970 Family Income and Housing	51
Table 10.	Agency Member Entity 1977/78 Tax Rates	38	Table 21.	Largest Employers in the Service Area and Vicinity	53
Table 11.	Member Entity Secured Tax Levies, Collections, and Delinquencies . .	40	Table 22.	East Bay Labor Markets—Employment by Industry	54
Table 12.	Agency Member Entity Largest Taxpayers	41	Table 23.	Selected Major Employers in the East San Francisco Bay Area . . .	55
Table 13.	City of Livermore—Summary of Revenues and Expenditures	42	Table 24.	Public School Enrollments	57
Table 14.	City of Pleasanton—Summary of Revenues and Expenditures	43	Table 25.	City of Livermore—Building Permit Valuation	59
Table 15.	Dublin San Ramon Services District—Summary of General Fund Revenues and Expenditures	44	Table 26.	City of Livermore—Taxable Sales Transactions	59
			Table 27.	City of Pleasanton—Building Permit Valuation	60
			Table 28.	City of Pleasanton—Taxable Transactions	60

INTRODUCTION

On June 18, 1974, the Cities of Livermore and Pleasanton and the Valley Community Services District (subsequently designated as the Dublin San Ramon Services District) entered into a joint exercise of powers agreement which created the Livermore-Amador Valley Water Management Agency to implement a water quality management program for the Livermore-Amador Valley.

The \$4,200,000 principal amount of Agency 1978 Sewer Revenue Bonds are being issued to obtain funds for the Agency's share of costs of a Federal and State grant-funded project which will convey effluent from sewage treatment plants of the Agency's member entities to a discharge point in San Francisco Bay. Proceeds from the sale of the Bonds will also be used to establish a Bond Reserve equal to maximum annual debt service and fund interest on the Bonds through November 1, 1980, or approximately 14 months beyond the estimated completion date of the construction of Agency facilities. Bids for the construction of the project were received in December 1977. Contractors will be required to: furnish a 100 percent labor and materialmens' bond; furnish a 100 percent faithful performance bond; and, carry comprehensive general liability insurance, workers' compensation insurance, and builders risk "all risk" insurance coverage for 100 percent of the contract amount.

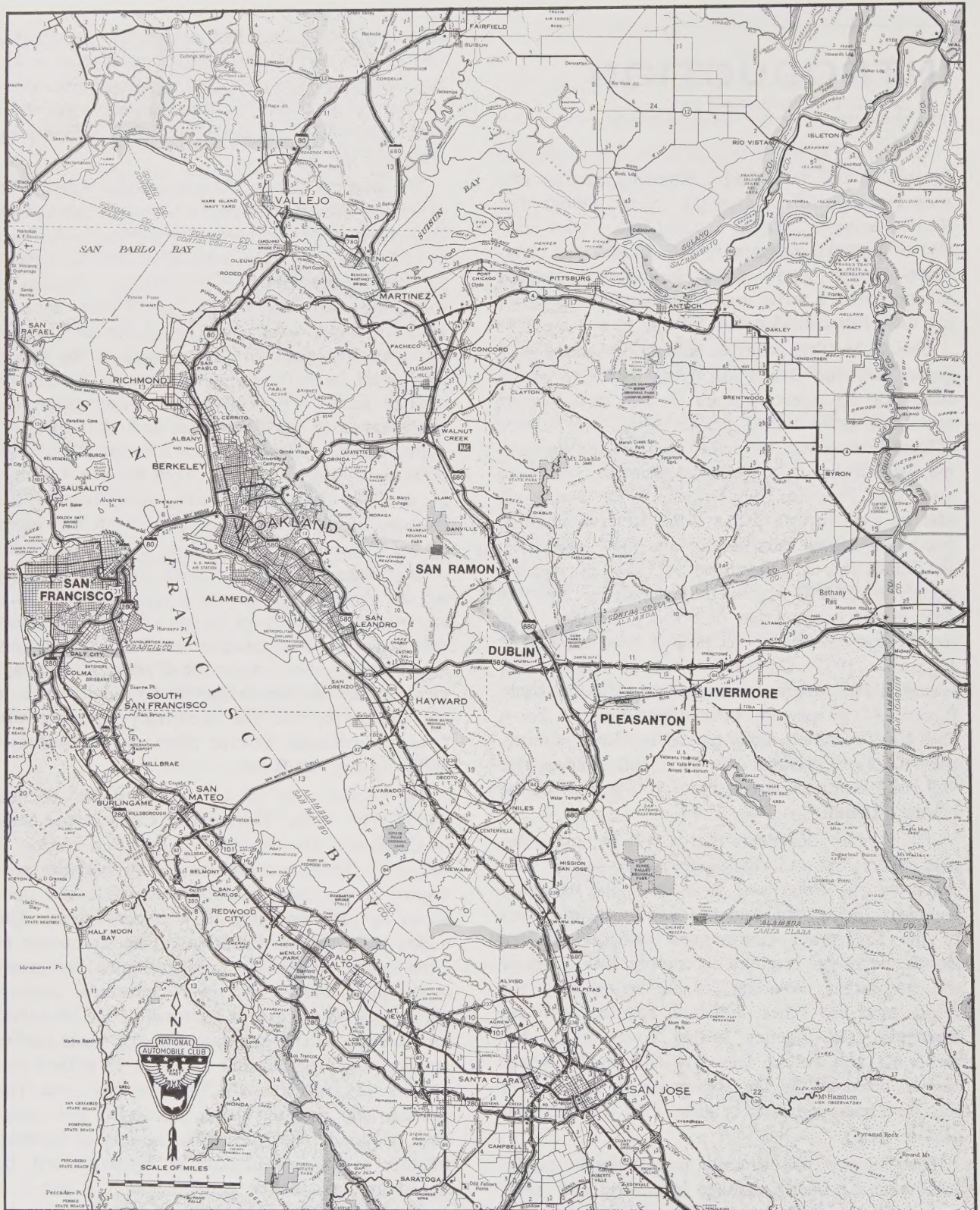
The Agency covenants that it will fix, prescribe, and collect fees and charges for sewer service provided by the Enterprise so as to yield Revenues sufficient to pay maintenance and operation costs of the Enterprise, interest and principal on the Bonds, payments required to comply with terms of the Resolution providing for the issuance of the Bonds, and any other obligation payable from the Revenues. The Agency further covenants to fix, prescribe, and collect fees and charges for sewer service provided by the Enterprise so as to yield Net Revenues equal to at least 1.10 times annual debt service.

The Agency will procure and maintain public liability and property damage insurance, and while any of the Bonds are outstanding, insurance on the Enterprise against risks as are usually insurable in connection with similar enterprises, including earthquake insurance if available from reputable insur-

ance companies at reasonable cost. The Agency will also procure and maintain rental interruption or use and occupancy insurance on the Enterprise in an amount not less than Net Revenues for a period of time allowed for reconstruction of the Enterprise plus three months.

The primary source of funds of the Agency for payment of the Bonds will be payments received by the Agency under the Sewer Service Contract, dated as of February 1, 1978, entered into by the Agency and its Members (the City of Livermore, the City of Pleasanton, and the Dublin San Ramon Services District). Under terms of the Sewer Service Contract payments for sewer service provided by the Enterprise shall be in amounts sufficient to enable the Agency to: (1) pay all costs of operations and maintenance of the Enterprise; and (2) make required deposits to the Interest, Principal, Bond Reserve and Repair and Replacement Reserve Accounts as provided in the Resolution providing for the issuance of the Bonds. Consistent with provisions of the Constitution of the State of California and court rulings, the Sewer Service Contract provides for the abatement of payments by Members during any period in which by reason of any damage or destruction the Enterprise is unable to provide any Sewer Service. Any abatement of sewer service payments under the Sewer Service Contract which is not covered by use and occupancy insurance will have a substantial adverse effect on the Agency's ability to pay the Bonds.

The Bonds are to be issued under Section 54307.1(b) of the Government Code of the State of California. On November 4, 1977 a Notice of Intent To Circulate a Petition per the initiative provisions of the California Elections Code was published by representatives of a citizens group. The notice indicated the intention of the signatories to circulate the petition to restore original limitations in the joint exercise of powers agreement creating the Agency that required approval of the electorate for adoption or implementation of any water quality management program that exceeded 13 million gallons per day capacity or \$1.5 million local costs. The petitions are presently being circulated and signatures acquired. The Agency has no way of knowing whether a sufficient number of signatures will be signed to the initiative petition and it is not in a position to predict what action it will take if petitions containing a sufficient number of signatures are presented to it for action (see page 12, Citizen Group Actions).



The Livermore-Amador Valley Water Management Agency's service area is located in southern Alameda County and south-central Contra Costa County approximately 20 miles east of San Francisco Bay.

Base map reproduced by permission of National Automobile Club, copyright owner

THE BONDS

Authority for Issuance

The \$4,200,000 principal amount of Livermore-Amador Valley Water Management Agency 1978 Sewer Revenue Bonds, hereinafter referred to as the "Bonds", are being issued by the Livermore-Amador Valley Water Management Agency, hereinafter referred to as the "Agency," pursuant to and in conformity with:

(1) The Revenue Bond Law of 1941, Title 5, Division 2, Part 1, Chapter 6 (Sections 54300 *et seq.*) of the Government Code of the State of California; and

(2) Resolution No. 77-10 Providing for the Issuance of \$8,500,000 Principal Amount of Livermore-Amador Valley Water Management Agency 1978 Sewer Revenue Bonds.

A copy of Resolution No. 77-10 accompanies this Official Statement.

Terms of Sale

Bids for the purchase of the Bonds will be received by a member of the Board of Directors up to 10:00 a.m., Wednesday, February 22, 1978 at the offices of Stone & Youngberg Municipal Financing Consultants, Inc., Suite 2750, One California Street, San Francisco, California 94111.

It is expected that the bids will be referred to the Agency's Board of Directors for action in the evening of the same day. Details of the terms of sale are set forth in the Official Notice of Sale adopted by the Agency on January 27, 1978, a copy of which accompanies this Official Statement.

Description of the Bonds

The Bonds will be dated February 1, 1978 and will be issued as coupon bonds in the denomination of \$5,000 each, numbered consecutively upwards from 1 with respect to each maturity year, in each case preceded by the year of maturity. The Bonds will mature serially on November 1 in each of the years and in the amounts shown in Table 1, Schedule of Maturities.

Table 1

Schedule of Maturities

Maturity Date Nov. 1	Principal Amount	Maturity Date Nov. 1	Principal Amount
1981 ...	\$100,000	1991 ...	\$200,000
1982 ...	110,000	1992 ...	215,000
1983 ...	115,000	1993 ...	230,000
1984 ...	125,000	1994 ...	245,000
1985 ...	135,000	1995 ...	265,000
1986 ...	145,000	1996 ...	280,000
1987 ...	155,000	1997 ...	300,000
1988 ...	165,000	1998 ...	325,000
1989 ...	175,000	1999 ...	350,000
1990 ...	185,000	2000 ...	380,000

Interest on the Bonds, not to exceed 8 percent per annum, will be payable on November 1, 1978 and semiannually thereafter on May 1 and November 1.

Principal of and interest on the Bonds will be payable at the principal office of United California Bank, the Fiscal Agent of the Agency in San Francisco, California, or at the holder's option at the principal office of Manufacturers Hanover Trust Co., New York, New York, or at the office of The Northern Trust Company, Chicago, Illinois.

Redemption Provisions

Bonds maturing on or before November 1, 1992, a total principal amount of \$1,825,000, are not subject to call or redemption prior to their fixed maturity dates. Bonds maturing on or after November 1, 1993, a total principal amount of \$2,375,000, are subject to call and redemption prior to their fixed maturity dates, at the option of the Agency, as a whole or in part in inverse order of maturity (and by lot within any one maturity), on November 1, 1990, or on any interest payment date thereafter, upon payment of a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, plus a premium of one-quarter of one percent ($\frac{1}{4}$ of 1%) of such principal amount for each year or fraction of a year from the redemption date to the maturity date of the Bonds. The maximum premium payable upon call of the Bonds for redemption on or after November 1, 1990 would be $2\frac{1}{2}$ percent.

Notice of Redemption

Notice of redemption is to be published, once a week for two successive weeks, in a financial newspaper or journal of general circulation, in San Francisco, California and in the same or similar financial newspapers or journals of general circulation in New York, New York, and in Chicago, Illinois. The first publication must be not less than 30 days nor more than 60 days prior to the redemption date. The Fiscal Agent is required to give written notice to the owners of any registered Bonds and to the original purchaser of the Bonds.

Fiscal Agent

United California Bank, San Francisco, California has been appointed as the Agency's Fiscal Agent in connection with the Bonds. The Fiscal Agent is authorized and directed to maintain the Interest Account, the Principal Account, the Bond Reserve Account and the Repair and Replacement Reserve Account and to pay interest on and principal of all Bonds when due. Resolution No. 77-10 requires that certain notices, certificates, and reports be filed with the Fiscal Agent to demonstrate compliance with the Resolution and for such purposes as the issuance of additional bonds.

Registration

The Bonds will be issued as coupon bonds and will be registrable only as to both principal and interest, with the privilege of deregistration and conversion into coupon bonds at the owner's expense.

Legal Opinion

All proceedings in connection with the issuance of the Bonds are subject to the approval of Orrick, Herrington, Rowley & Sutcliffe, San Francisco, California, bond counsel for the Agency. The unqualified opinion of Orrick, Herrington, Rowley & Sutcliffe attesting to the validity of the Bonds, will be supplied free of charge to the original purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this Official Statement under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's engagement is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to

the validity of the Bonds and the exemption of interest on the Bonds from income taxation (see section hereof entitled "Tax Exempt Status"). The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including this Official Statement, not mentioned in this paragraph.

Tax Exempt Status

In the opinion of bond counsel, the interest on the Bonds is exempt from all present Federal income taxes and from State of California personal income taxes under existing statutes, regulations, and court decisions, and the Bonds are exempt from all California taxes except inheritance, gift, and franchise taxes.

Other Closing Documents

In addition to the opinion of Bond Counsel and the certificate of Agency officials concerning this Official Statement, the Agency will, at the time of delivery of the Bonds, furnish the purchaser the following documents, all to be dated as of the date of delivery:

1. **Arbitrage Certificate.** A certificate of the Treasurer of the Agency that, on the basis of the facts and circumstances in effect at the time of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that will cause the Bonds to be arbitrage bonds.
2. **No Litigation Certificate.** A certificate of appropriate Agency officials that there is no litigation pending affecting the validity of the Bonds.
3. **Signature Certificates.** Certificates of the respective Agency officials showing that they have signed the Bonds by manual or facsimile signature, and that they were duly authorized to execute the same.
4. **Receipt of Treasurer.** The receipt of the Treasurer of the Agency showing that the purchase price of the Bonds, including accrued interest to the date of delivery has been received by the Agency.

Purpose of Issue

Proceeds from the sale of the Bonds will be used to finance the Agency's share of the cost of constructing Federal and State grant-aided sewerage improvements as detailed in the section of this Official Statement entitled "The Project".

Security

The Bonds to be issued pursuant to Resolution No. 77-10 are equally secured by an exclusive pledge and charge upon all Net Revenues of the Enterprise and other funds as provided in Resolution No. 77-10.

The term "Enterprise" means facilities for the disposal or reuse of wastewater from the Livermore-Amador Valley to be acquired and constructed with the proceeds of the Bonds, including capacity in facilities of the East Bay Dischargers Authority and all additions, betterments, extensions, and improvements to such facilities thereafter made.

The term "Revenues" means all gross income and revenue received by the Agency from the ownership and operation of the Enterprise, including all fees and charges received by the Agency for sewer service provided by the Enterprise pursuant to Sewer Service Contracts, and all other income and revenue howsoever derived by the Agency from the ownership and operation of the Enterprise.

The Agency, the City of Livermore, the City of Pleasanton, and the Dublin San Ramon Services District (formerly designated as the Valley Community Services District) have entered into a Sewer Service Contract dated as of February 1, 1978. A copy of the "Livermore-Amador Valley Water Management Agency Sewer Service Contract" accompanies the distribution of this Official Statement. A discussion of the principal provisions of the Sewer Service Contract is presented in the section of this Official Statement entitled "The Project".

The term "Net Revenues" means, for any period, all of the Revenues received during such period less all of the Maintenance and Operation Costs of the Enterprise during such period.

The interest on, principal of, and redemption premiums on the Bonds are payable solely from the Net Revenues and other funds as provided in Resolution No. 77-10 of the Agency and the Agency is not obligated to pay them except from the Net Revenues and such other funds. The general fund of the Agency is not liable, and the full faith and credit of the Agency is not pledged, for the payment of the interest on or principal of the Bonds or the redemption premiums, if any. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Agency or any of its income or receipts, except the Net Revenues and such other funds.

Consistent with provisions of the Constitution of the State of California and court rulings, the Sewer Service Contract provides for the abatement of payments by Members if by reason of damage or destruction the Enterprise is unable to provide Sewer Service. Since the payments received by the Agency under the Sewer Service Contract constitute the primary source of funds of the Agency for the payment of the Bonds, any abatement of sewer service payments under the Sewer Service Contract which is not covered by use and occupancy insurance will have a substantial adverse effect on the Agency's ability to pay the Bonds.

Creation of Special Funds and Accounts

Resolution No. 77-10 provides for the establishment of special funds and accounts to be held and administered by either the Fiscal Agent or the Treasurer of the Agency. These funds and accounts will be employed in connection with the Enterprise as shown in Table 2.

Disposition of Bond Proceeds

Resolution No. 77-10 provides that proceeds paid by the Treasurer of the Agency to the Fiscal Agent of the Agency upon delivery of the Bonds are to be applied as follows:

Interest Account. A sum equal to the amount of interest becoming due and accruing on the Bonds through November 1, 1980 is to be deposited by the Fiscal Agent into the Interest Account.

Bond Reserve Account. An amount sufficient to establish a balance equal to maximum annual debt service on the Bonds is to be deposited by the Fiscal Agent into the Bond Reserve Account.

1978 Acquisition and Construction Fund. The remainder of Bond proceeds shall be deposited into the 1978 Acquisition and Construction Fund for the purpose of paying the costs of the acquisition and construction of the Enterprise. Any balance remaining in the 1978 Acquisition and Construction Fund after the acquisition and construction of the Enterprise will be transferred by the Fiscal Agent into the Bond Reserve Account if such remaining balance is needed to comply with provisions of Resolution No. 77-10. Any remaining balance thereafter is to be deposited into the Revenue Fund.

Application of Revenues

The Revenues of the Enterprise are to be deposited into the Revenue Fund by the Treasurer of the Agency and applied to accounts established by Sec-

tion 4.03 of Resolution 77-10 in the order of priority as discussed below.

Maintenance and Operation Account. On or before the fifth day of each January, April, July, and October, beginning as soon as the Enterprise becomes revenue-producing, the Treasurer shall deposit in the Maintenance and Operation Account a sum at least equal to the amount required by the Agency for payment of budgeted maintenance and operation costs of the Enterprise during the three-month period beginning with the first day of such month. Moneys in this Account shall be used only to pay budgeted maintenance and operation costs of the Enterprise as they become due and payable.

Interest Account. On or before the fifth day of each January, April, July, and October, beginning in January, 1981, the Treasurer shall deposit with the Fiscal Agent in the Interest Account an amount equal to one-half of the aggregate amount of interest becoming due and payable on all outstanding Bonds on the next succeeding interest payment date. No deposit need be made if the amount contained in the Interest Account is at least equal to the interest payable on all outstanding Bonds on the next succeeding interest payment date. Moneys in the Interest Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of paying the interest on the Bonds as it shall become due and payable, including accrued interest on any Bonds purchased or redeemed prior to maturity.

Principal Account. On or before the fifth day of each January, April, July, and October, beginning in January, 1981, the Treasurer shall deposit with the Fiscal Agent an amount equal to one-quarter of the aggregate yearly amount of principal becoming due and payable on outstanding Bonds on the next succeeding November 1.

No deposit need be made into the Principal Account if the amount therein is sufficient to pay the principal of all Bonds maturing on the next succeeding November 1.

Moneys in the Principal Account shall be used and withdrawn by the Fiscal Agent solely for the purpose of paying the principal of the Bonds as they shall become due and payable.

Bond Reserve Account. On or before the fifth day of each January, April, July, and October, be-

ginning in January, 1981, the Treasurer shall deposit with the Fiscal Agent such amount as shall be required to restore the Bond Reserve Account to a balance equal to maximum annual debt service on all outstanding Bonds. If on any November 1, beginning in November, 1981, the balance in the Bond Reserve Account exceeds maximum annual debt service on all outstanding Bonds, the Fiscal Agent shall pay such excess balance to the Treasurer for deposit in the Surplus Account. All moneys in the Bond Reserve Account are to be used by the Fiscal Agent solely for replenishing any deficiency in the Interest Account or Principal Account or the payment of principal and interest and redemption premiums on the Bonds in the event no other moneys are available.

Repair and Replacement Reserve Account. On or before the fifth day of each January, April, July, and October, beginning in January, 1981, the Treasurer shall deposit \$10,000 with the Fiscal Agent for deposit into the Repair and Replacement Reserve Account.

In the event the amount in the Bond Reserve Account is reduced below the amount required to be maintained therein, the Fiscal Agent shall transfer moneys from the Repair and Replacement Reserve Account to the Bond Reserve Account to the extent necessary to eliminate such deficiency. Subject to the foregoing, moneys in the Repair and Replacement Reserve Account may be withdrawn by written request to the Fiscal Agent certifying the amount needed to pay the costs of unusual or extraordinary maintenance or repairs, renewals, replacements or renovations of the Enterprise not paid as part of the annual budgeted maintenance and operation costs of the Enterprise.

Surplus Account. All moneys remaining in the Revenue Fund on November 1 of each year after depositing all sums required to be deposited to the Maintenance and Operation, Interest, Principal, Bond Reserve, and Repair and Replacement Reserve Accounts shall be deposited into the Surplus Account. Moneys in the Surplus Account shall be used to eliminate any deficiency in any of the Accounts established by Section 4.03(1), (2), (3), (4), and (5) of Resolution No. 77-10 in such order. Moneys remaining after the elimination of any deficiency in said accounts may be expended for any lawful purpose of the Agency, including making Industrial Cost Recovery payments pursuant to P.L. 92-500.

Table 2**LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY 1978 SEWER REVENUE BONDS****Creation of Special Funds and Accounts****Resolution No. 77-10**

Fund or Account	Source(s)	Use
1978 Acquisition and Construction Fund [Section 2.09(c)] (Maintained by the Fiscal Agent after initial transfers to the Interest and Bond Reserve Accounts) ..	Bond Proceeds	Construction, balance to Bond Reserve Account and Revenue Fund as provided in the Res- olution.
Revenue Fund [Section 4.01(b)] (Main- tained by Treasurer of Agency)	All Enterprise Revenues	Transfers in order of priority to Maintenance and Opera- tion, Interest, Principal, Bond Reserve, Repair and Replace- ment Reserve, and Surplus Accounts.
Maintenance and Operation Account [Sec- tion 4.03(1)] (Maintained by Treasurer of Agency)	Revenue Fund	Maintenance and Operation of Enterprise
Interest Account [Section 4.03(2)] (Main- tained by Fiscal Agent)	Revenue Fund	Bond Interest
Principal Account [Section 4.03(3)] (Main- tained by Fiscal Agent)	Revenue Fund	Bond Principal
Bond Reserve Account [Section 4.03(4)] (Maintained by Fiscal Agent)	Bond Proceeds and Revenue Fund	Bond Principal and Interest
Repair and Replacement Reserve Account [Section 4.03(5)] (Maintained by Fiscal Agent)	Revenue Fund	Unusual or Extraordinary Main- tenance or Repairs, Renewals, Replacements or Renovations of the Enterprise.
Surplus Account [Section 4.03(6)] (Main- tained by Treasurer of Agency)	Revenue Fund	Any authorized purpose after all other Accounts have been paid in accordance with the Resolution

Investment of Moneys in Funds and Accounts

Moneys in the Interest Account, the Principal Account, the Repair and Replacement Reserve Account and the 1978 Acquisition and Construction Fund may, and at the direction of the Agency shall, be invested by the Fiscal Agent in Federal Securities maturing prior to the date on which such moneys are required to be paid out pursuant to Resolution No. 77-10.

Moneys in the Revenue Fund and the Maintenance and Operation Account may, and at the direction of the Agency shall, be invested by the Treasurer in Federal Securities maturing prior to the date on which such moneys are required to be paid out pursuant to Resolution No. 77-10.

Moneys in the Bond Reserve Account may, and at the direction of the Agency shall, be invested by the Fiscal Agent in Federal Securities maturing not more than five years from the date of purchase by the Fiscal Agent. Moneys in the Surplus Account may, and at the direction of the Agency shall, be invested in any lawful investment.

All interest received on any moneys shall be deposited in the Revenue Fund, except that all interest on any moneys that is received prior to the Enterprise becoming revenue-producing shall be deposited in the 1978 Acquisition and Construction Fund.

Additional Bonds

Resolution No. 77-10 authorized the issuance of \$8,500,000 principal amount of Livermore-Amador Valley Water Management Agency 1978 Sewer Revenue Bonds, of which \$4,200,000 principal amount are currently being issued. The Agency does not anticipate that any of the remaining bonds (or any other sewer revenue bonds) will be issued; and the issuance of any such revenue bonds is subject to all the terms and limitations of the joint exercise of powers agreement creating the Agency.

In addition to the \$4,300,000 principal amount of unissued 1978 Sewer Revenue Bonds that may be issued, Article III of Resolution No. 77-10 provides that Additional Bonds may be issued on a parity with the 1978 Sewer Revenue Bonds providing the following requirements are met:

(a) The Agency shall be in compliance with all covenants of Resolution No. 77-10 and all supplemental resolutions theretofore adopted by the

Board of Directors, and a certificate of the Agency to that effect shall have been filed with the Fiscal Agent.

(b) The issuance of Additional Bonds shall have been duly authorized pursuant to law and the issuance of the Additional Bonds shall have been provided by a Supplemental Resolution adopted by the Board of Directors.

(c) Proceeds of Additional Bonds are to be applied solely for the purpose of making improvements or additions to the Enterprise or for refunding any outstanding Bonds.

(d) Additional Bonds must mature only on November 1 of any year and interest after the first year shall be payable semiannually on May 1 and November 1 of each year. Provisions must be made through serial maturities or minimum sinking fund payments for retirement of Additional Bonds on or before their respective maturity dates.

(e) An additional amount is to be deposited and maintained in the Bond Reserve Account so that its balance will be equal to the maximum annual debt service on all outstanding Bonds and the Additional Bonds.

(f) Net revenues for the last fiscal year preceding adoption of a supplemental resolution, as certified by an independent public accountant, must have been equal to at least 1.10 times maximum annual debt service on all outstanding Bonds and the Additional Bonds.

In determining Net Revenues for the purpose of issuing Additional Bonds, the Agency may add to actual Net Revenues for the preceding year the following provided they are certified as required: (1) 95 percent of the estimated additional average annual Net Revenues to be derived from any improvements and additions completed, or to be financed by the Additional Bonds or other Bonds previously issued, during the first three years after completion of the improvements and (2) 95 percent of the amount by which Net Revenues would have been increased if any increases in fees and charges which have been adopted had been in effect for the entire fiscal year.

To the extent that Additional Bonds are issued to refund outstanding Bonds, the debt service on the Bonds to be refunded is to be excluded from the computation above.

Maintenance of Fees and Charges

The Agency covenants that so long as any of the Bonds are outstanding it will fix, prescribe, and collect fees and charges in connection with the sewer service provided by the Enterprise so as to yield Revenues sufficient to pay the following amounts in the following order of priority:

- (1) All current Maintenance and Operation Costs of the Enterprise,
- (2) Interest and principal of the Bonds as they become due and payable,
- (3) All payments required to comply with the terms of Resolution No. 77-10 and any supplemental resolution providing for the issuance of Additional Bonds,
- (4) All payments to meet any other obligations of the Agency which are charges, liens, encumbrances upon, and payable from the Revenues.

In addition, the Agency covenants that while any of the Bonds remain outstanding, fees and charges in connection with the sewer service provided by the Enterprise will be fixed, prescribed, and collected so as to yield Net Revenues during the then immediately ensuing twelve-month period equal to at least 1.10 times annual debt service.

Insurance Coverages

The Agency will procure and maintain at all times while any of the Bonds are outstanding insurance on the Enterprise against such risks (including accident to or destruction of the Enterprise) as are usually insurable in connection with similar enterprises, including earthquake insurance if available from reputable insurance companies at reasonable cost. Such insurance shall be adequate in amount and as to the risks insured against, or in an amount sufficient to enable the Agency to retire all Outstanding Bonds. In the event of any damage to or destruction of the Enterprise caused by the perils covered by such insurance, the proceeds of such insurance may be applied to the repair or reconstruction or other improvement of the Enterprise. Alternatively, if the proceeds of such insurance are sufficient to enable the Agency to retire all Outstanding Bonds, the Agency may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Enterprise. In this event, such proceeds shall be deposited with the Fiscal Agent to redeem or purchase all outstanding Bonds.

The Agency will procure and maintain adequate fidelity insurance or bonds on all officers and em-

ployees responsible for any Revenues or funds of the Enterprise in an aggregate amount at least equal to the maximum amount of such Revenues or funds at any one time in the custody of all such officers and employees.

Upon the purchase or acquisition of any real property in fee simple comprising any part of the Enterprise, the Agency will obtain a policy of title insurance for the full purchase price or cost of acquisition of such real property, excluding any improvements thereon.

The Agency will procure and maintain rental interruption or use and occupancy insurance on the Enterprise in an amount not less than the estimated Net Revenues for a period of time allowed for reconstruction of the Enterprise plus three months, except that such insurance need be maintained only following completion of construction of the Enterprise and (as to the peril of earthquake) only if such insurance is available on the open market from reputable insurance companies at reasonable cost.

The Agency will procure and maintain public liability insurance with limits of not less than \$1,000,000 for one person and \$3,000,000 for more than one person involved in one accident. The Agency will also procure and maintain insurance against liability for property damage resulting from any casualty in an amount not less than \$200,000 for each accident, subject to a deductible clause of not to exceed \$5,000 for any one accident. Such public liability and property damage insurance may be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks.

Eminent Domain

If all or any part of the Enterprise shall be taken by eminent domain proceedings, the net proceeds therefrom shall be deposited with the Fiscal Agent and applied to the cost of acquiring or constructing additions, betterments, extensions, or improvements to the Enterprise provided the Fiscal Agent determines on the basis of a certificate of a qualified independent engineer that the additional Revenues resulting from such additions, betterments, extensions, or improvements will sufficiently offset the loss of Revenues resulting from such eminent domain proceedings so that the ability of the Agency to meet its obligations under Resolution No. 77-10 will not be substantially impaired. Any balance of such proceeds not required by the Agency for the aforesaid purposes shall be deposited in the Revenue Fund and applied as provided in Section 4.03 of Resolution No. 77-10.

If the foregoing conditions are not met, such proceeds shall be applied by the Fiscal Agent pro rata to the redemption or purchase of Bonds then outstanding in the proportion which the principal amount of the outstanding Bonds of each series bears to the aggregate principal amount of all Bonds then outstanding.

Additional Covenants

Additional covenants contained in Resolution No. 77-10 include the following:

(1) The Agency will punctually pay or cause to be paid the principal and interest to become due in respect of all Bonds, in strict conformity with the terms of Resolution No. 77-10 and all supplemental resolutions.

(2) The Agency will not sell, lease or otherwise dispose of any part of the Enterprise that is essential to the proper operation of the Enterprise or to the maintenance of Net Revenues, except property which has worn out, become nonoperative, or is not needed for the efficient and proper operation of the Enterprise.

(3) The Agency will maintain the Enterprise in good repair and working order at all times from the Revenues available for such purposes and will operate the Enterprise in an efficient and economical manner.

(4) The Agency will pay and discharge, or cause to be paid and discharged, any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien upon the Net Revenues or otherwise impair the security of the Bonds.

(5) The Agency will preserve and protect the security of the Bonds and the rights of the bondholders, and will warrant and defend their rights against all claims and demands of all persons.

(6) The Agency will keep proper books of records and accounts of all transactions relating to the Enterprise. Such books will at all times be subject to inspection by the Fiscal Agent or holders of not less than ten percent of the principal amount of the Bonds then outstanding.

(7) The Agency will prepare and file with the Fiscal Agent annually within 120 days after the close of each Fiscal Year (commencing with the Fiscal Year in which the Enterprise becomes revenue-producing) so long as any of the Bonds are outstanding:

(a) An audited statement (prepared in accordance with generally accepted accounting

principles) of the preceding fiscal year showing the Revenues, all disbursements from the Revenues and all expenditures applicable to the Enterprise.

(b) A detailed balance sheet reflecting the financial condition of the Enterprise, including the balances in all funds held by the Agency and the Fiscal Agent.

(c) A certificate or opinion in writing of an independent certified public accountant indicating the manner and extent to which the Agency has complied with the provisions of Resolution No. 77-10.

(d) A statement as to all insurance carried on the Enterprise by the Agency as of the end of such fiscal year.

(8) The Agency will prepare annually a reasonably detailed summary statement showing the amount of the Revenues and the disbursements from the Revenues for the preceding fiscal year, and a general statement of the financial and physical condition of the Enterprise. The Agency will furnish a copy of the summary statement to any bondholder upon request, and will furnish to the Fiscal Agent copies for distribution to holders of Bonds requesting copies.

(9) The Agency will comply with all terms, covenants and provisions, express and implied, of the Sewer Service Contracts, and will diligently enforce all its rights thereunder. The Sewer Service Contracts may be modified or amended, provided the Agency makes adequate arrangements to provide for the full utilization of and payment for the sewer service furnished by the Enterprise and for obtaining adequate Revenues to comply with Resolution No. 77-10.

Additional Provisions

Any bondholder has the right to mandamus or other appropriate remedy to compel the performance by the Agency and any of its officers of the duties imposed under the Revenue Bond Law of 1941 and the agreements with the bondholders as provided in Resolution No. 77-10.

The Resolution may be modified or amended only with the consent of holders of 60% of all Bonds then outstanding, but no such modification or amendment shall extend the maturity, reduce the interest rate or principal amount payable, or reduce the percentage of consent required for amendment without the express consent of the affected bondholders.

THE LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

In 1970, the California State Water Resources Control Board and the San Francisco Bay Regional Water Quality Control Board adopted the policy of encouraging public sewerage service agencies to plan sewerage facilities and wastewater management programs on a subregional basis. At that time, a number of discrete subregional wastewater management planning areas were delineated, one of which was the Livermore-Amador Valley. Within the Livermore-Amador Valley, three public entities provide wastewater collection, treatment, and disposal service: the City of Livermore; the City of Pleasanton; and the Dublin San Ramon Services District (designated as the Valley Community Services District prior to December 1, 1977). More than 95 percent of all Valley wastewater is treated and disposed of or reclaimed by these three public entities.

In February 1971, the Valley's three public sewerage service entities and Zone 7, Alameda County Flood Control and Conservation District contracted with Brown and Caldwell Engineers, San Francisco, to prepare a wastewater management plan for the Livermore-Amador Valley. The plan, incorporated into the report entitled "Water Quality Management Plan for the Livermore-Amador Valley", was completed in September 1972.

Creation of the Agency

On June 18, 1974, the Cities of Livermore and Pleasanton and the Valley Community Services District, collectively referred to as the Valley Water Interests, entered into a joint exercise of powers agreement which created the Livermore-Amador Valley Water Management Agency (the "Agency") for the purpose of implementing a water quality management program for the Livermore-Amador Valley.

Selection of Project and Funding Mechanism

Subsequent to its creation, the Agency was required by Federal and State agencies to undertake a study of alternative methods for the disposal of sewage treatment plant effluent. On October 18, 1974 the State Water Resources Control Board approved a plan of study for a wastewater management Project Report. The Agency engaged John Carollo Engineers, Walnut Creek, California to prepare the Project Report which was completed in July 1976.

The July 1976 Project Report identified for consideration sixteen wastewater treatment and disposal alternative projects, including a "no project" alternative. Evaluations of these alternative projects by the State Water Resources Control Board, the San Francisco Bay Regional Water Quality Control Board and the Environmental Protection Agency resulted in the selection of five viable alternatives for detailed analyses. Detailed qualitative and quantitative analyses, including economic, environmental, and social considerations were made of each of the five viable alternatives to arrive at the best apparent alternative. The recommended project provided for the construction of a wastewater export system by the Agency to transport effluent from the sewage treatment plants of member entities to interceptor and outfall facilities of the East Bay Dischargers Authority (EBDA) for disposal into San Francisco Bay.

On November 2, 1976 the Agency submitted to voters of its area a bond measure to pay for the Agency's share of project costs. This bond measure, in an amount of \$8,350,000, was rejected by a vote of approximately 55 percent against and 45 percent for the measure.

In December 1976, the Agency engaged CH2M-Hill, consulting engineers, San Francisco, to reevaluate project alternatives. At the same time that the reevaluation of the project occurred, the Agency began an investigation of alternative means of financing its project—by means of bonds or pay-as-you-go. (The Revenue Bond Law of 1941, by Section 54307.1(b), authorizes the issuance of revenue bonds without voter approval provided the construction of the disposal system is required to comply with a water quality control plan and the regional water quality control board finds or determines that immediate action for the planning and construction of such facilities is urgently needed for compliance

with such a plan and the prevention of pollution). On December 21, 1976 the San Francisco Bay Regional Water Quality Control Board adopted Resolution No. 76-17, Concerning The Need For Immediate Action For Planning and Construction of Collection, Transmission, Treatment Or Disposal Facilities By The Livermore-Amador Valley Water Management Agency.

In March 1977, the CH2M-Hill report entitled "Reclamation-Reuse and Export Alternatives Evaluation" was completed and presented to the Agency. The Agency's Board of Directors, at its meeting of March 30, 1977 reaffirmed the selection of the project by unanimous vote. At the same meeting and, again by unanimous vote, the Board of Directors adopted as a funding mechanism for the project a revenue bond sale under Section 54307.1(b) of the Government Code, with service charge increases for cash flow needs; with a commitment by all member entities to use pay-as-you-go sewer service charge increases as a back-up funding method in the event the revenue bonds are not issued. The Board of Directors directed that the then existing joint exercise of powers agreement be amended to reflect the present project and funding mechanism. The necessary amendments to the joint exercise of powers agreement were approved by the Board at its meeting of April 26, 1977 and submitted to the Agency's members for approval, and were so approved in May 1977. Subsequently the Board adopted Resolution No. 77-10 (Providing for the Issuance of \$8,500,000 Principal Amount of Livermore-Amador Valley Water Management Agency 1978 Sewer Revenue Bonds) on May 31, 1977. Pursuant to the provisions of law, such Resolution was subject to a 60-day referendum period.

Citizen Group Actions

In June 1977, two groups of citizens mounted different actions in the Cities of Livermore and Pleasanton. In Livermore, a small group attempted to recall the city council. An insufficient number of signatures was collected within the statutory time period. In Pleasanton, an organization entitled CARD (Citizens Against Redevelopment) initiated a referendum drive against one of two city council resolutions which had been adopted in May approving the aforementioned joint exercise of powers agreement amendments. Although the CARD committee (composed of approximately 15 to 30 citizens) submitted referendum petitions to the city council, these petitions were rejected as improperly

attempting to referend an administrative, not legislative, act. No action, however, to submit Resolution No. 77-10 to a referendum of the voters of the area of the Agency was attempted within the authorized period therefor, and accordingly such Resolution became effective 60 days after its adoption.

On November 11, 1977, two representatives of CARD published a Notice of Intent To Circulate a Petition per the initiative provisions of the California Elections Code. The notice indicated the intention of the signatories "to circulate the [initiative] petition within the LAVWMA District, State of California, for the purpose of amending the LAVWMA Agreement to restore the original limitations in said Agreement requiring approval of the electorate for adoption or implementation of any water quality management program exceeding 13 million gallons per day capacity or 1.5 million dollars local costs, and for the further purpose of prohibiting action by the Agency in support or furtherance of any present or future water quality management project exceeding the above limits without prior approval of said project by the electorate." Twenty-one days after the date of publication petitions could be circulated and signatures of 10% of the voters of the Agency's area, according to the County Clerk's last official report of registration to the Secretary of State (approximately 4,500) would have to be acquired in a six-month period from November 11, 1977. The petitions are presently being circulated and signatures acquired.

The Agency has no way of knowing whether a sufficient number of signatures will be signed to the initiative petition, and is not in a position to predict what action it will take if petitions containing a sufficient number of signatures are presented to it for action.^①

Provisions of the Agreement

A summary of selected provisions of the joint exercise of powers agreement (the Agreement) under which the Agency will implement the project is presented in the following subsections.

^① Subsequent to the adoption of this Official Statement by the Agency's Board of Directors on January 27, 1978, and prior to the publication and distribution of this Official Statement, representatives of CARD filed with the Agency on February 1, 1978 the initiative petition, described above, with 6,245 signatures. The Agency has 30 days to examine and verify the signatures, after which the Board of Directors may: (1) adopt the initiative, (2) place the initiative on the ballot of the June 6, 1978 election, or (3) reject the initiative.

Governing Body. The Agency is governed by a six-member Board of Directors (the Board). The respective governing bodies of each of the three entities that are parties to the Agreement appoint two Directors from among their members. Directors of the Board serve until such time as they are replaced by the appropriate appointing entity. Directors of the Board are as follows:

Chairman: Dale M. Turner, Councilman, City of Livermore. Mr. Turner is Manager of the Livermore branch of Lloyds Bank. He is a graduate of the Pacific Coast Banking School, University of Washington. Prior to his election to the Livermore City Council in 1974, Mr. Turner served as a member of the City's Planning Commission and Beautification Committee.

Vice Chairman: L. Charles Ladner, Director, Dublin San Ramon Services District. Mr. Ladner retired from the Chevrolet Motor Division of General Motors Corporation in 1974. He is involved in providing consulting services for Stewardship programs for churches. He has served as President and Vice President of the Board of Directors of the District. Mr. Ladner also serves as President of the Alameda County/Dublin Library Corporation.

Secretary: Kenneth R. Mercer, Vice Mayor, City of Pleasanton. Mr. Mercer, a graduate of San Francisco State University, holds the position of Service Center Manager with the Pacific Telephone Company. He has served on the Pleasanton City Council since March 1976.

Director: Lila C. Euler, Director, Dublin San Ramon Services District. Mrs. Euler was elected to the Board of Directors of the District in 1973, and re-elected in 1977. She served as President of the Board of Directors of the District in 1974/75, and Chairperson of the Agency from April 1975 to June 1976. She has also served as a member of the Alameda County Solid Waste Management Board, and East Bay Regional Park District Advisory Committee. Mrs. Euler holds a Bachelor of Arts degree in Biology from Mills College, Oakland.

Director: Robert C. Philcox, Mayor, City of Pleasanton. Mr. Philcox, a graduate of the Pacific Coast Banking School, University of Washington, is Vice President and Cashier, and a member of the Board of Directors, of the First National Bank of Pleasanton. He has served on the Pleasanton City

Council since March 1974. From June 1976 to June 1977, Mr. Philcox served as Chairman of the Agency.

Director: Helen M. Tirsell, Mayor, City of Livermore. Mrs. Tirsell holds a Bachelor of Arts degree from the State University of Iowa and a Master of Arts degree from Drake University. She has served on the Livermore City Council since 1974. Prior to her election to the City Council, Mrs. Tirsell served on the City's Planning Commission as Chairperson of the General Plan Review in 1973-1974. Mrs. Tirsell has also served on the Executive and Legislative Committees of the Association of Bay Area Governments.

Each Director is empowered to cast one vote. The number of Directors holding a majority of the voting power constitutes a quorum for the transaction of Agency business.

A simple majority vote of a quorum is required to approve the business of the Agency except that any vote on Capital Expenditures requires the unanimous vote of all members of the Board. Capital Expenditures are defined as "those expenditures or any part thereof made to acquire and construct facilities necessary to accomplish the purpose of the Agreement as described in Paragraph XI A(7)." (See discussion of General Powers below.)

General Powers. The Agency, pursuant to Paragraph XI of the Agreement, is empowered to do the following in its own name:

- (1) To sue and be sued.
- (2) To make and enter into contracts.
- (3) To employ agents and employees.
- (4) To acquire, hold, and dispose of property.
- (5) To incur debts, liabilities, and obligations for administrative expenses necessary to accomplish the purposes of the Agreement.
- (6) To issue revenue bonds pursuant to Government Code Section 6540, et seq., and the Revenue Bond Law of 1941 (Government Code Section 54300, et seq.), or any other then-available law, in order to carry out projects undertaken pursuant to the Agreement.
- (7) To incur debts, liabilities and obligations for Capital Expenditures as follows:

(a) For the purpose of constructing a project to rectify the wastewater disposal problems in the Livermore-Amador Valley (which are more particularly identified in the July 1976 Project Report and the March 1977 Reclamation-Reuse and Export Alternatives Evaluation Report), the solution of which will require, based upon E-O growth projections to 1996 prepared by the Department of Finance of the State of California, a disposal capacity of approximately 15.62 million gallons per day (the flow for the average day of the maximum month). The Agency may incur debts, liabilities and obligations for Capital Expenditures in an amount, exclusive of subventions and grants, necessary to fund the local share of the 15.62 million gallons per day project, without submission of the proposal to the electorate of the Agency.

(b) The Agency may not, for the purpose of avoiding the vote of the electorate referred to in (c) below, incur debts, obligations or liabilities for Capital Expenditures in separate transactions which combined would exceed the local share of the 15.62 million gallons per day project set forth in (a) above.

(c) The Agency may incur additional debts, liabilities and obligations for Capital Expenditures in excess of the 15.62 million gallons per day project local share funding referred to in subparagraph (a) above, exclusive of subventions and grants, and for the same purpose of rectifying wastewater disposal problems in the Livermore-Amador Valley, if said additional debts, liabilities and obligations have been approved by a majority of the electorate of the Agency voting on the measure prior to the incurring thereof.

(d) The Agency shall not make any modifications or additions to the basic project of 15.62 million gallons per day which would increase, even without additional capital expenditures, the ability of the project facilities to dispose of effluent beyond the capacity limitations described in subparagraph (a) above, without obtaining prior approval by a majority of the electorate of the Agency voting on the measure. Repairs and improvements necessary to keep the basic project operational and future industrial (including non-retail commercial)

capacity shall not be included in the above limitation.

(8) To enter into contracts, subject to the unanimous approval of the Board of Directors, with any or all of the original parties to allow the purchase of any unused capacity to a total of one million gallons per day which may exist in the future in the basic project pipeline, described in subparagraph (a) above. The City of Pleasanton shall have a guaranteed option to purchase 500,000 gallons per day of the aforementioned one million gallons per day subject to the provisions of this subparagraph. The party purchasing any unused capacity shall bear all costs associated with said purchase, including but not limited to incremental capital costs, operation-maintenance costs, administrative costs, depreciation, capital replacement and previous design and engineering costs. Any unused capacity available in the basic project shall be purchased only for industrial (including non-retail commercial) purposes. It is understood between the Parties that Dublin San Ramon Services District shall not be required to add any additional treatment capacity to its sewage treatment plant in order to provide for the industrial capacity, or any portion thereof, mentioned herein.

It is the intention of the Agency to include in any contract for the purchase of industrial capacity a requirement that the purchasing entity obtain the approval of its electorate for said purchase.

(9) To exercise any power common to the Parties and to advise the Parties in the exercise of individual powers possessed by said Parties, provided that same powers are exercised in furtherance of the purposes of this Agreement.

Specific Powers. The Agency, pursuant to Paragraph XII of the Agreement is also empowered to:

A. Prepare and develop plans for implementing a sewage disposal program, which may include treatment if that is deemed ultimately to be appropriate.

B. Contract with public or private entities, firms, corporations, partnerships, or persons for technical assistance or for purposes of implementing the program.

C. Retain and establish salaries for such employees as are necessary to implement the water management plan.

D. Prepare and adopt a general budget for the Agency's administrative functions.

E. Establish such by-laws and rules and regulations as may be necessary for its operation and for the conduct of the Agency's business.

F. Receive, accept, and expend or disburse moneys (by contract or otherwise) for purposes consistent with the provisions hereof, which moneys may be provided by the United States Government, the State of California, or any subdivision thereof, or received from any other person, agency, or organization, whether public or private, for the purposes specified herein, and maintain at all times a complete and accurate system of accounting for said moneys.

G. Receive, accept, and utilize the services of personnel offered by any of the members, or their representatives or agents; receive, accept, and utilize property, real or personal from any of the parties to this agreement, or their agents or representatives.

H. To issue revenue bonds pursuant to Government Code Section 6540, et seq., and the Revenue Bond Law of 1941 (Government Code Section 54300, et seq.), in order to carry out the project undertaken pursuant to the Agreement.

Funds and Expenditures. Paragraph XV of the Agreement relates to the receipt, disbursement, and accountability of Agency funds.

Before the Agency may expend any moneys or incur any financial obligation, it shall adopt, on or before June 30 of each year for the ensuing fiscal year, a budget showing proposed expenditures for the fiscal period and the proposed means of financing such expenditures. Each party agrees to review and to provide its share of its budgetary obligation.

Each expenditure of moneys shall be authorized or approved by the Board or by a person designated by the Board to authorize expenditures. The Treasurer shall draw warrants to pay demands authorized for payment.

Full books and accounts shall be maintained by the Agency in accordance with practices established by, or consistent with, those utilized by the Controller of the State of California for like public entities. The records and accounts of the Agency shall be audited by an independent certified public accountant.

Withdrawal of Parties. Under Paragraph XIX of the Agreement, the withdrawal of a Party from the Agency shall not be final during the period of time that the Agency is engaged in making Capital Expenditures as defined in Paragraph VI(f) or has any debts, liabilities or obligations outstanding incurred for Capital Expenditures, or during the time that any revenue bonds of the Agency are outstanding. Subsequent to commitment by the Agency as defined in Paragraph VI(g) and subsequent to the retirement of any outstanding revenue bonds, any Party may withdraw from the Agreement provided written notice of such intention to withdraw has been transmitted to other Parties at least five (5) years in advance of the actual date of withdrawal. The notice of withdrawal shall be in resolution form and approved by a four-fifths (4/5ths) vote of the entire governing board of the withdrawing Party. A Party's notice of withdrawal may be given at any time and shall be effective upon date of receipt. A withdrawing Party shall continue to be obligated for the debts, obligations and liabilities for Capital Expenditures and operations and maintenance costs incurred by the Agency in connection with projects undertaken pursuant to Paragraph XIA(7) after the notice of withdrawal has been received. A withdrawing party shall continue to be responsible for its share of the general budget during the five-year withdrawal period.

The foregoing summary discussion of selected features of the Agreement are made subject to all of the provisions of the Agreement. This summary does not purport to be a complete statement of provisions of the Agreement. For full details of the Agreement, prospective purchasers of the Bonds are referred to the text of the "Joint Exercise of Powers Agreement to Implement A Regional Water Quality Management System" which is included in the documents accompanying the distribution of this Official Statement.

THE PROJECT

San Francisco Bay Basin Water Quality Requirements

More than 95 percent of the wastewater in the Livermore-Amador Valley is collected and treated by the Agency's three member entities. Effluent from sewage treatment plants is discharged into the tributaries of the Alameda Creek watershed.

The San Francisco Bay Region Regional Water Quality Control Board has adopted water quality standards to protect the beneficial uses of waters within the San Francisco Bay Basin, including the prevention of degradation of surface waters and groundwaters within the Basin.

The major beneficial use in the Alameda Creek watershed has been determined to be the recharge of groundwater used for domestic supply. On January 23, 1973, the San Francisco Bay Region Regional Water Quality Control Board adopted Resolution No. 73-4 which prohibited the discharge of all wastewater to the Alameda Creek system above Niles unless the discharger has facilities in operation which will prevent degradation of groundwater. The Board indicated that it will consider exceptions to this prohibition when a wastewater reclamation and reuse program is proposed and where existing and potential beneficial uses of groundwater will be protected.

The Agency's Wastewater Export System Project

The March 1977 report of CH2M-Hill "Reclamation—Reuse and Export Alternatives Evaluation," identified 11 wastewater reuse alternatives and 6 export alternatives, a total of 66 combinations of project alternatives. A wastewater export system was selected by the Agency as the best alternative project on the basis of economic considerations, non-economic factors, and environmental impacts. To continue to discharge sewage treatment plant effluent directly to the Alameda Creek watershed would have required the highest level of treatment of all the discharge alternatives considered. Suspended solids and oxygen demanding constituent discharge limitations

would require nitrification, denitrification and filtration processes, in addition to secondary treatment. Furthermore, the discharge limitations on dissolved solids would require desalination, a complex and costly treatment process.

The Agency's wastewater export system is designed to collect, transport, and discharge into San Francisco Bay the effluent from member entities' sewage treatment plants. Existing treatment facilities of the Agency's member entities include the Livermore Water Reclamation Plant, the Sunol Sewage Treatment Plant which serves approximately one-half of the City of Pleasanton, and the Dublin San Ramon Services District Wastewater Treatment Plant which serves the District and the remainder of the City of Pleasanton.

Currently, the City of Pleasanton and Dublin San Ramon Services District are considering project alternatives for the treatment of sewage from the Sunol Sewage Treatment Plant's service area and the conveyance of treated effluent to the Agency's wastewater export system (see subsequent discussion of City of Pleasanton Sewerage System, subsection "Future Sewage Treatment," beginning on page 28 of this Official Statement).

The Agency's wastewater export system provides for the construction of the following facilities:

- (1) A peaking pond to store above-average flows of effluent from the Livermore Water Reclamation Plant;

- (2) An interceptor sewer to transport effluent from the Livermore peaking pond to regulating reservoirs located north of the Dublin San Ramon Services District Wastewater Treatment Plant;

- (3) An interceptor and pump station to transport effluent from the Dublin San Ramon Services District Wastewater Treatment Plant to the regulating reservoirs; and

- (4) An export pump station and pipeline to transport effluent from the regulating reservoirs over Bohemer Summit to an intersection with the interceptor and outfall system of the East Bay Dischargers Authority (EBDA), approximately 15.3 miles to the west, for discharge into San Francisco Bay.

Agency-EBDA Agreement

To effect the connection of the Agency's wastewater export system to the interceptor and outfall system of EBDA, an agreement between the Agency and EBDA was entered into on January 24, 1978.

EBDA is a public entity created in February 1974 pursuant to a joint exercise of powers agreement between the Cities of Hayward and San Leandro and the Union, Oro Loma, and Castro Valley Sanitary Districts. EBDA has started the construction of a system of force main, interceptor, dechlorination, and outfall facilities to convey treated wastewater from its member entities to a discharge point in San Francisco Bay, approximately six miles west of San Leandro. EBDA has designed its facilities with sufficient capacity to accommodate the Agency's flow of 15.62 mgd for the maximum month (capacity rights), and provide reserve capacity equivalent to 20 percent of the initial 15.62 mgd usage for peak flow and future industrial uses by the Agency's member entities.

The Agency-EBDA Agreement, dated as of February 1, 1978, contains the following salient features:

(1) EBDA shall own its interceptor main and outfall system and the connection links at the point of the connection of EBDA and Agency facilities.

(2) Agency is authorized to connect its wastewater export pipeline to EBDA's interceptor and outfall system, and discharge its treated wastewater in and through EBDA's interceptor and outfall system subject to conditions of the Agreement.

(3) For perpetual capacity rights to discharge to the EBDA system, the Agency shall pay to EBDA an amount and in the manner set forth in Exhibit A to the Agreement (see discussion below regarding Agency's costs).

(4) The Agency retains complete ownership of its capacity rights and reserve capacity. The Agency may sell to any member entity of the Agency or EBDA any of its capacity rights and reserve capacity which the Agency may determine is unnecessary for its future usage.

(5) Both parties shall operate and maintain their respective systems so as not to damage the other party's system. Each party shall hold the other party free and harmless from all liability or damages incurred by the other party as the result of any failure by the other party to properly operate and maintain its system.

(6) Agency shall install a sampling and monitoring facility along its pipeline within one mile of the point of connection to EBDA's facilities. Agency shall arrange to have the samples col-

lected, analyzed, and reported to EBDA within 10 days after the end of each calendar month and within 10 days of a request by EBDA for sampling and testing to identify a wastewater discharge requirement violation. EBDA shall monitor outfall effluent discharge and receiving waters in accordance with procedures and requirements of appropriate regulatory agencies.

(7) Agency and EBDA shall have a mutual right of inspection and auditing of financial operations and maintenance records, monitoring and metering equipment for purposes including, but not limited to, calibrating equipment, taking samples, and reviewing records.

(8) Agency shall discharge its wastewater into EBDA's facilities such that it complies with all National Pollution Discharge Elimination System (NPDES) permit requirements imposed on EBDA, as well as any NPDES permit requirements imposed by federal and state agencies on the Agency.

(9) Each party shall hold the other party free and harmless from all liability or damages incurred by the other party as the result of any failure to meet NPDES discharge requirements. The party in violation of NPDES discharge requirements shall take prompt corrective action to meet NPDES discharge requirements.

(10) The term of the Agreement is 30 years, or earlier, if the Agency's bonds have all been paid and the Agency determines that the use of EBDA's facilities is no longer required and the Agency's capacity rights have been acquired. Agency may renew the Agreement at the end of its term subject to renegotiation of its conditions, promises, and costs, except capital costs.

(11) EBDA shall be prepared to accept flows of Agency by November 1, 1980. Agency and EBDA recognize events beyond the control of EBDA may occur and the time period may be extended for good cause. In this event, EBDA shall work with Agency to assist Agency in the disposal of its flows including, but not limited to, temporary use of EBDA facilities, assistance in obtaining temporary use of alternative facilities, and mitigation of any damages which would be incurred by Agency due to delays in EBDA's Project.

Exhibit A of the Agency-EBDA Agreement provides that the Agency shall pay EBDA the total sum

of 10.43 percent of the construction costs of pipelines and dechlorination facilities north of the Oro Loma Pump Station. In addition, Agency shall pay to EBDA 20 percent of Agency's share of construction costs to reimburse EBDA for indirect costs, including administration, design, inspection, and miscellaneous costs.

Based on the estimated construction costs of facilities that will serve the Agency, it is estimated that the Agency's share of the cost of EBDA facilities will approximate \$378,000 after credit is given for the receipt by EBDA of Federal and State grants in an amount equivalent to 87.5 percent of eligible project costs. Actual costs to the Agency will be determined on the basis of actual construction costs including the total contract amount awarded to the contractor, any change orders, force account work for construction related items, and any damages or settlements directly related to construction.

The Agency is required to pay EBDA by July 1, 1978, an amount equal to 50 percent of the Agency's estimated share of the cost of EBDA facilities (\$378,000). Prior to connection and obtaining service from the EBDA system, Agency payments shall total the full amount payable to EBDA based upon actual construction costs.

Receipt of Construction Bids

Bids for the construction of Agency wastewater export system facilities were received by the Agency on December 15, and December 16, 1977. To facilitate the bidding, the facilities were distributed among three contracts. The tabulation below summarizes the apparent low bid on each construction contract. The staff of the State Water Resources Control Board is presently reviewing construction contract bids. It is anticipated that the State's approval to award construction bids will be received prior to the receipt of bids for the Agency's 1978 Sewer Revenue Bonds. The Agency will award construction contracts within 90 calendar days after the receipt of bids, but in no event prior to the award and delivery of the 1978 Sewer Revenue Bonds.

Construction contracts No. 1 and No. 3 have an 18-month completion period. Contract No. 2 has a 9-month completion period.

Contractors will be required to furnish a 100 percent labor and materialmen's bond and a 100 percent faithful performance bond. Throughout the construction period, the contractors are also required to carry comprehensive general liability insurance,

LIVERMORE-AMADOR VALLEY WATER MANAGEMENT AGENCY

Construction Bid Data

Contract and Low Bidder	Facilities	Cost
Contract No. 1	Export Pump Station	\$ 1,814,800
Elmer J. Freethy	Dublin San Ramon Services District Pump Station ..	300,100
1432 Kearney Street	Regulating Reservoir	860,000
El Cerrito, CA 94530	Livermore Peaking Pond	300,100
	Access Road Drainage	17,000
	Total	\$ 3,292,000
Contract No. 2		
Underground Construction Co., Inc.	Livermore Interceptor	\$ 1,412,357
2600 Williams Street	Dublin San Ramon Services District Interceptor ...	150,914
San Leandro, CA 94577	Combined Interceptor	169,440
	Total	\$ 1,732,711
Contract No. 3		
S. J. Groves & Sons Company	Export Pipeline	\$ 6,933,270
P.O. Box 20259	Grand Total All Contracts	\$11,957,981
El Cajon, CA 92021		

workers' compensation insurance and builders risk "all risk" insurance coverage for 100 percent of the contract amount.

The tabulation below shows the estimated funding requirements of the Agency that serve as the basis for the \$4,200,000 principal amount of 1978 Sewer Revenue Bonds to be issued by the Agency. Table 3 shows estimated debt service on the Bonds based on an interest rate of seven percent.

Construction Cash Flow Advances

The Agency is required to make timely payment of costs during construction. During the construction period a period of as much as 60 days may lapse from the date monthly construction progress payments are made by the Agency to the date that Federal and State grant disbursements are received.

Based on the contractor's estimates of monthly progress payment requirements during the 18-month construction period; the Agency's advance receipt of 90 percent of the State's construction grant of \$1,511,500 on January 20, 1977; and allowances for income from the investment of moneys in the Interest Account, Bond Reserve Account, and 1978

Acquisition and Construction Fund during the construction period; it is estimated that the Agency's construction cash flow requirements will approximate \$1,166,000.

As discussed previously, the Agency's member entities have previously agreed to provide, through increased sewer service charges during the construction period, sufficient moneys to meet their respective shares of Agency construction cash flow requirements. Based on the member entities respective Fixed Cost Allocation as provided in Section 4.01 of the Livermore-Amador Valley Water Management Agency Sewer Service Contract (discussed in the next subsection entitled "Sewer Service Contract") construction cash flow requirements are estimated as follows: City of Livermore @ \$587,100; City of Pleasanton @ \$310,600; and Dublin San Ramon Services District @ \$268,300. During the 18-month construction period the City of Pleasanton and Dublin San Ramon Services District will increase their respective sewer service charges by approximately \$1.60 per month per single-family residential dwelling unit equivalent to obtain funds for their respective construction cash flow requirements. The

LAVWMA BOND ISSUE REQUIREMENTS

\$4,200,000 Principal Amount 1978 Sewer Revenue Bonds

Principal Amount of Bonds		\$4,200,000
Less: Funded Interest to November 1, 1980		808,500
Bond Reserve Account		406,600
Costs of Issuance		125,000
Net Bond Proceeds		\$2,859,900
Disposition of Net Bond Proceeds		
Grant—Eligible Costs		
Construction	\$11,957,981	
Construction Contingency	1,195,798	
Project engineering, inspection, and management	1,316,334	
Administration	37,500	
Subtotal	\$14,507,613	\$1,813,452 ^①
Agency share of EBDA facilities costs		378,000
Grant—Ineligible Costs		
Land and right-of-way acquisition		200,000
Reimbursements to Agency member entities		300,000
Administration		37,500
Subtotal		\$2,728,952
Allowance for Overall Project Contingencies		\$ 130,948 ^②

① Agency's share of grant-eligible costs @ 12.5 percent.

② For project costs that may be found to be grant-ineligible upon State Water Resources Control Board final review and audit.

Table 3
\$4,200,000 LAVWMA 1978 SEWER REVENUE BONDS
Estimated Sewer Revenue Bond Service

	Amount Outstanding November 1	Estimated Interest @ 7 Percent		Principal Payable November 1	Estimated Total Debt Service
		Payable May 1	Payable November 1		
1978	\$4,200,000	\$ —	\$220,500 ^①	\$ —	\$220,500 ^①
1979	4,200,000	147,000 ^①	147,000 ^①	—	294,000 ^①
1980	4,200,000	147,000 ^①	147,000 ^①	—	294,000 ^①
1981	4,200,000	147,000	147,000	100,000	394,000
1982	4,100,000	143,500	143,500	110,000	397,000
1983	3,990,000	139,650	139,650	115,000	394,300
1984	3,875,000	135,625	135,625	125,000	396,250
1985	3,750,000	131,250	131,250	135,000	397,500
1986	3,615,000	126,525	126,525	145,000	398,050
1987	3,470,000	121,450	121,450	155,000	397,900
1988	3,315,000	116,025	116,025	165,000	397,050
1989	3,150,000	110,250	110,250	175,000	395,500
1990	2,975,000	104,125	104,125	185,000	393,250
1991	2,790,000	97,650	97,650	200,000	395,300
1992	2,590,000	90,650	90,650	215,000	396,300
1993	2,375,000	83,125	83,125	230,000 ^②	396,250
1994	2,145,000	75,075	75,075	245,000 ^②	395,150
1995	1,900,000	66,500	66,500	265,000 ^②	398,000
1996	1,635,000	57,225	57,225	280,000 ^②	394,450
1997	1,355,000	47,425	47,425	300,000 ^②	394,850
1998	1,055,000	36,925	36,925	325,000 ^②	398,850
1999	730,000	25,550	25,550	350,000 ^②	401,100
2000	380,000	13,300	13,300	380,000 ^②	406,600

① Funded from Bond Proceeds.

② Callable on or after November 1, 1990.

City of Livermore which bills sewer service charges on users' property tax bills will increase its sewer service charge by approximately \$35 per single-family residential dwelling unit equivalent in the fiscal year beginning July 1, 1978 to obtain funds for its construction cash flow requirements.

Sewer Service Contract

The Agency and its member entities (Members) have entered into a Sewer Service Contract (the "Contract") dated as of February 1, 1978, a copy of which accompanies the distribution of this Official Statement. Principal provisions of the Contract are discussed below.

Term of the Contract (Section 2.01). The term of the Contract runs from the date of issue of the Bonds until the day that all Bonds are deemed to have been paid within the meaning of Section 9.01 of the Resolution.

Commencement of Sewer Service and Charges (Section 2.02). The obligation of the Agency to provide, and of Members to pay for, sewer service commences on the first day of the first calendar month following the calendar month in which the Enterprise is completed and capable of providing full sewer service. The Agency is required to give Members at least 60 days, but not more than 90 days, notice of the anticipated date of the start of charges for sewer service.

Covenants of the Agency. Under Article III of the Contract, the Agency covenants to:

(1) acquire and construct the Enterprise as soon as possible with moneys available from the proceeds from the sale of the Bonds and other sources such as Federal and State grants and contributions from Members;

(2) operate the Enterprise in an efficient and economical manner and maintain and preserve the

Enterprise in good repair and working order at all times;

(3) take, receive, transport, and dispose of all wastewater delivered to the Enterprise from each Member up to the maximum sewer service requirement specified for each Member as follows:

(a) Livermore, for any given month, an average daily actual flow not exceeding 6.62 million gallons per day, and for any given day in such month, an actual flow not exceeding 7.944 million gallons;

(b) Pleasanton, for any given month, an average daily actual flow not exceeding 4.87 million gallons per day, and for any given day in such month, an actual flow not exceeding 5.844 million gallons; and

(c) Dublin San Ramon Services District, for any given month, an average daily actual flow not exceeding 4.13 million gallons per day, and, for any given day in such month, an actual flow not exceeding 4.956 million gallons.

Any two Members may at any time agree to apportion between themselves the total of their combined average daily actual flow as established above.

(4) measure and record the amount of wastewater received from treatment plants of Members as necessary to meet all purposes of the Contract;

(5) comply with all terms, covenants, and provisions of its contract with EBDA for the disposal of wastewater, and enforce its rights thereunder.

(6) not amend or terminate its contract with EBDA in any way that would adversely affect the ability of the Agency to comply with provisions of the Contract;

(7) procure and maintain at all times during the term of the Contract such insurance as required by Section 5.06 of the Resolution;

(8) prepare and submit to each Member, at least 60 days before the anticipated date of commencement of sewer service, a budget setting forth the Budgeted Fixed Costs and Budgeted Variable Maintenance and Operation Costs for the period of such date until the close of the then current fiscal year. At least 90 days before the first day of each fiscal year thereafter the Agency shall submit to each Member a budget setting forth Budgeted Fixed Costs and Budgeted Variable Maintenance and Operation Costs for such fiscal year. Each budget shall set forth Variable Maintenance and

Operation Costs for Joint-Use Facilities and for Sole-Use Facilities used by Members.

(9) keep proper books of record and accounts of the Enterprise which shall at all times during business hours be subject to the inspection of any Member;

(10) prepare and submit to each Member annually within 120 days after the close of each fiscal year an audited statement for the preceding fiscal year in compliance with Section 5.07(b) of the Resolution, and showing for such fiscal year: (a) Actual Fixed Costs, (b) Actual Variable Maintenance and Operation Costs for Joint-Use Facilities and Sole-Use Facilities used by Members, and (c) Industrial Cost Recovery for each Member.

Payment for Sewer Service (Article IV). The Fixed Cost Allocation for each Member shall be as follows: (1) for Livermore, fifty and thirty-five one-hundredths percent (50.35%), (2) for Pleasanton, twenty-six and sixty-four one-hundredths percent (26.64%), and (3) for the District, twenty-three and one-hundredths percent (23.01%); provided, however, that any two Members may at any time agree to apportion between themselves the total of their Fixed Cost Allocations as established above.^①

The term "Fixed Costs" means, for any given period, the sum of the following amounts:

(1) amounts required by Section 4.03(2) of the Resolution to be deposited during such period into the Interest Account established and maintained in accordance with said section,

(2) amounts required by Section 4.03(3) of the Resolution to be deposited during such period into the Principal Account established and maintained in accordance with said section,

(3) amounts required by Section 4.03(4) of the Resolution to be deposited during such period into the Bond Reserve Account established and maintained in accordance with said section,

(4) amounts required by Section 4.03(5) of the Resolution to be deposited during such period into the Repair and Replacement Reserve Account established and maintained in accordance with said section, and

^① The Fixed Cost Allocations were determined on the basis of estimated construction costs, and all parties have agreed that after construction is completed the Contract will be modified to reflect actual construction costs. Based on the bids received, it is believed that the amount of any reallocation will not exceed one percent (1%).

(5) all Maintenance and Operation Costs incurred during such period which are not Variable Maintenance and Operation Costs (energy used for pumping and chemicals used in the treatment of wastewater).

Not less than 30 nor more than 60 days before the anticipated date of commencement of Sewer Service, each Member shall prepare and submit to the Agency the best estimate of what its actual flow will be for the period from such date until the next succeeding January 1, April 1, July 1 or October 1 and for each succeeding three-calendar-month period beginning with January 1, April 1, July 1, or October 1 in the then current fiscal year. Not less than 30 nor more than 60 days before the beginning of each succeeding fiscal year each Member shall prepare and submit to the Agency the best estimate of what its actual flow will be for each of the three-calendar-month periods in such fiscal year beginning with January 1, April 1, July 1 and October 1.

In consideration of the provision by the Agency of the Sewer Service capacity specified for each Member, whether or not such capacity is used, on or before the anticipated date of commencement of Sewer Service and on or before each January 1, April 1, July 1 and October 1 thereafter during the term of the Contract, each Member shall pay in advance to the Agency the sum of the following amounts:

(a) the amount of the Budgeted Fixed Costs for the period beginning with such due date and ending with the day immediately preceding the next succeeding due date times one and one-tenth (1.1) times the Fixed Cost Allocation for such Member;

(b) the amount of the Budgeted Variable Maintenance and Operation Costs for Joint Use Facilities for the period beginning with such due date and ending with the day immediately preceding the next succeeding due date times the ratio of such Member's Scheduled Flow for such period to the sum of all Members' Scheduled Flows for such period;

(c) the amount of the Budgeted Variable Maintenance and Operation Costs for such Member's Sole Use Facilities for the period beginning with such due date and ending with the day immediately preceding the next succeeding due date times the ratio of such Member's Scheduled Flow for such period to the sum of the Scheduled

Flows for such period for all Members using the same Sole Use Facilities as such Member; and

(d) the estimated amount of the Industrial Cost Recovery for such Member for the period beginning with the due date immediately preceding such due date and ending with the day immediately preceding such due date.

Each Member shall take such action as may be necessary to include all payments due under this section in its annual budget and shall make the necessary annual appropriations for such payments. Each Member agrees to fix, prescribe and collect rates, fees and charges (including Industrial Cost Recovery charges) in connection with its sewer service to its sewer customers so as to yield revenues from such rates, fees and charges sufficient and available to meet all of such Member's obligations to the Agency under the Contract.

Within 120 days after the close of each Fiscal Year (commencing with the Fiscal Year in which the first payments are made) the Agency shall compute the amount of the payments that would have been made by each Member if the amounts of such payments had been determined using Actual Fixed Costs instead of Budgeted Fixed Costs, Actual Variable Maintenance and Operation Costs instead of Budgeted Variable Maintenance and Operation Costs and Actual Flows instead of Scheduled Flows for such Fiscal Year, and if such payments had been computed on a Fiscal Year basis rather than on a quarterly basis. Any excess of such amount over the amount actually paid by such Member with respect to such Fiscal Year shall be added to such Member's next payment to be made. Any deficiency of such amount under the amount actually paid by such Member with respect to such Fiscal Year shall be paid by the Agency to such Member not later than 15 days after the date of the next payment to be made.

Abatement of Payments for Sewer Service (Section 5.01). Payments for Sewer Service shall be entirely abated during any period in which by reason of any damage or destruction (other than by condemnation) the Enterprise is unable to provide any Sewer Service. Such abatement shall continue for the period commencing with such damage or destruction and ending upon the restoration of Sewer Service by the Agency. In the event of any such damage or destruction, the Contract shall continue in full force and effect and the Members waive any rights to terminate the Contract by virtue of such damage or de-

struction. The proceeds of any insurance covering such damage or destruction shall be deposited and applied by the Agency as provided in Section 5.06 of the Resolution.

Default in Payment (Section 5.03). If default shall be made in the due and punctual payment of any amounts required to be paid under Sections 4.03 or 4.04 and such default shall have continued for a period of 30 days, or if default shall be made by any Member in the observance of any of the covenants, agreements or conditions on its part in the Contract and such default shall have continued for a period of 60 days after such Member shall have been given notice in writing by the Agency of such default, such Member shall be deemed to be in default under the Contract and it shall be lawful for the Agency to exercise any and all remedies available pursuant to law or granted pursuant to the Contract. Upon any such default, the Agency, in addition to any other rights and remedies it may have at law, shall have the option, without terminating the Contract, to collect each payment for Sewer Service as such payment becomes due and to enforce any other term or provision of the Contract to be kept or performed by such Member.

The Agency shall have the right to institute an action for damages sustained as a result of any such default and shall have the right by mandamus or other proceeding at law or in equity to enforce its rights against such Member and to compel such Member and any officers or employees thereof to perform and carry out their obligations and duties under the Contract. In the event of any such default, the Fiscal Agent designated pursuant to Section 6.01 of the Resolution shall have the right to enforce for the benefit of the holders of the Bonds the rights of the Agency under the Contract and, to that end, shall have the right to institute any action or other proceeding at law or in equity which the Agency could institute under this section.

Other Sewer Service Users (Section 5.04). The Agency shall not sell or offer to sell Sewer Service to any user other than a Member: (a) without the written consent of all Members, (b) upon terms and conditions more favorable than those herein provided for the Members, or (c) if the provision of such Sewer Service would prevent it from meeting its obligations under this Contract to provide Sewer Service to the Members.

Since the payments received by the Agency under the Sewer Service Contract constitute the primary

source of funds of the Agency for the payment of the Bonds, any abatement of Sewer Service payments under the Sewer Service Contract which are not covered by use and occupancy insurance will have a substantial adverse effect on the Agency's ability to pay the Bonds.

The foregoing summary of selected provisions of the Contract are made subject to all of the provisions of the Contract. This summary does not purport to be a complete statement of the provisions of the Contract. Prospective purchasers of the Bonds are referred to the text of the "Livermore-Amador Valley Water Management Agency Sewer Service Contract," a copy of which is included in the documents accompanying the distribution of this Official Statement.

Projected Annual Revenue Requirements and Sewer Revenue Bond Service Coverage

The Agency-EBDA Agreement provides that EBDA shall be prepared to accept flows of the Agency by November 1, 1980. Revenue requirements, exclusive of Industrial Cost Recovery, have been projected for the first full year of operation of the Agency's project from November 1, 1980 through October 31, 1981, and are shown in Table 4.

Operation and Maintenance Costs. CH2M-Hill estimates annual operation and maintenance costs of the project at approximately \$553,000. In addition the EBDA staff estimates the Agency's share of annual operation and maintenance costs of EBDA facilities and services at \$68,000 (\$28,000 for maintenance and operation of facilities plus \$40,000 for EBDA's wastewater discharge monitoring program).

Sewer Revenue Bond Service Costs. As shown in Table 3, Sewer Revenue Bond Service Costs for the first full year of operation are estimated at \$394,000.

Repair and Replacement. The Resolution provides that the Treasurer shall transfer quarterly with the Fiscal Agent \$10,000 for deposit into the Repair and Replacement Reserve Account. In addition, the Agency-EBDA Agreement requires the Agency to pay 10.43 percent of replacement of capital assets of treatment and pumping facilities. The Agency's estimated share of replacement costs for EBDA dechlorination facilities is estimated at \$1,200 annually (direct and indirect costs of dechlorination facilities @ $\$713,000 \times .1043 \times .015$).

Member Entity Payments for Sewer Service. Section 4.03 of the Sewer Service Contract provides that

each Member shall pay the sum of the following amounts:

(1) the amount of Budgeted Fixed Costs times 1.1 times the Fixed Cost Allocation for such member. Budgeted Fixed Costs are defined as the sum of the following amounts budgeted for: (a) deposit into the Interest Account, the Principal Account, the Bond Reserve Account, and the Repair and Replacement Account pursuant to Sections 4.03 (2), (3), (4) and (5), and (b) all Maintenance and Operation Costs which are not Variable Maintenance and Operation Costs. Variable Maintenance and Operation Costs are defined as costs of

energy used for pumping and chemicals used in the treatment of wastewater.

The tabulation on page 25 shows the estimated Sewer Service Payments required of Member entities in 1980/81 and estimated monthly costs per single-family residential dwelling unit equivalent.

Sewer Revenue Bond Service Coverage. Assuming member agencies effect sewer service charge rate adjustments in the approximate amounts shown above and that revenue requirements are as anticipated, estimated Net Revenues in 1980/81 will provide a coverage ratio of estimated Sewer Revenue Bond Service of approximately 1.27.

Table 4

LAVWMA ESTIMATED REVENUE REQUIREMENTS, MEMBER AGENCY SEWER SERVICE PAYMENTS, AND SEWER REVENUE BOND SERVICE COVERAGE

	1980/81	Estimated Sewer Service Payments and Disposition		
		City of Livermore	City of Pleasanton	Dublin San Ramon Services District
Estimated Revenues	\$1,124,210	\$547,437	\$317,454	\$259,319
Estimated Fixed Maintenance and Operation Costs:				
Labor	\$ 54,400	\$ 27,390	\$ 14,492	\$ 12,518
Materials and Supplies	21,500	10,825	5,728	4,947
Administration and Insurance	102,000	51,357	27,173	23,470
Share of EBDA Facilities	28,000	14,098	7,459	6,443
Share of EBDA Monitoring Program	40,000	20,140	10,656	9,204
Subtotal	\$ 245,900	\$123,810	\$ 65,508	\$ 56,582
Estimated Variable Maintenance and Operation Costs:				
Power	\$ 332,000	\$151,691	\$103,385	\$ 76,924
Chemicals	43,000	19,647	13,390	9,963
Subtotal	\$ 375,000	\$171,338	\$116,775	\$ 86,887
Estimated Total Maintenance and Operation Costs .	\$ 620,900			
Estimated Net Revenues	\$ 503,310	N.A.	N.A.	N.A.
Estimated Sewer Revenue Bond Service	\$ 394,000	\$198,379	\$104,962	\$ 90,659
Estimated Coverage Ratio	(1.27)	N.A.	N.A.	N.A.
Estimated Revenues Available for Other Purposes ..	\$ 109,310			
Repair and Replacement Reserve Account	40,000	\$ 20,140	\$ 10,656	\$ 9,204
Repair and Replacement EBDA Facilities	1,200	604	320	276
Other (Repayment to Member Entity)	68,110	33,166	19,233	15,711

Member Entity	1980/81 Estimated Sewer Service Payment	Estimated Single-Family Dwelling Unit Equivalents	Estimated Monthly Cost Per Single-Family Dwelling Unit Equivalent
City of Livermore	\$547,437	17,000	\$2.70
City of Pleasanton	317,454	11,095	2.40
Dublin San Ramon Services District	259,319	9,200	2.35

City of Livermore Sewerage System

Existing Facilities. The City's existing sanitary sewer system consists of approximately 147 miles of pipe ranging in size from 6 inches to 42 inches. All sanitary sewers up to and including 39-inch diameter are vitrified clay pipe. Larger sewers are of reinforced concrete construction. Some 71 percent of the City's sewer system was installed after 1955. Sewers installed before 1955 had rigid joints whereas sewers installed after 1955 had flexible joints. The City has undertaken a staged program of sewer replacement of the 6-inch street laterals which were installed prior to 1955 with rigid joint construction.

The City's Water Reclamation Plant is located one mile south of Interstate Highway 580 directly east of boundaries along the Livermore Municipal Airport. Existing facilities are the result of two stages of development. Stage one began operation in 1959 with the headworks, two primary sedimentation basins (one temporarily being used as a secondary sedimentation basin), a trickling filter and filter pump station, two digesters, two oxidation ponds, an emergency holding basin and the control building. Under the stage two additions in 1967, a second trickling filter and filter pump additions, an aeration basin and blowers, a secondary clarifier and a chlorine contact basin were added. Stage two improvements increased average dry weather treatment capacity to 5 mgd and hydraulic capacity to 10 mgd. Peak flow which exceeds these limits is allowed to pass into one of two emergency holding basins. The wastewater is returned to the headworks by gravity from the holding basin as the peak period terminates and the flow returns to a more normal state.

Approximately 0.25 mgd of the average daily flow is contributed to the facility by local industries. The principle contributors are monitored for flow and pH which serves as protection against shock loadings.

Due to rigid discharge requirements set by the Regional Water Quality Control Board, a very high

degree of treatment is required. The Livermore plant is providing treatment which meets and exceeds these requirements.

There is a portable standby power facility in operation at the Livermore Water Reclamation Plant. When power outages occur or other problems arise, flow is gravity fed to the emergency holding basins. The holding basins have an approximate storage capacity of 31 million gallons.

Operation and maintenance of the facility is on a seven-days-a-week, 24-hours-a-day basis with a staff of twelve men which includes ten operators certified by the State Water Resources Control Board. Monitoring of wastewater and overall plant performance is done in compliance with Regional Water Quality Control Board requirements and as necessary to insure adequate operation of the facilities.

Rates and Charges. The City reports 13,584 residential connections and 724 commercial and industrial connections. The estimated number of single-family dwelling unit equivalents served is approximately 17,000. Single family residential units are charged for sewer service at the rate of \$4.80 per month. Multiple dwelling unit structures, trailers, and mobile home parks are charged at the rate of \$3.60 per month. Charges for various commercial users are made at the rate of one service unit (\$4.80 per month) for the following factors:

Type of Use	Service Unit	Per
General commercial	1/2	5 employees
Hotels, motels, dormitories .	1/2	lavatory
Dining facility	1	60 sq. ft. patron area
Hospitals	1	3 beds
Gas station	1	4 pumps
Elementary schools	1	30 students
High schools and college ..	1	20 students
Church	1	unit
Professional offices	1	unit

Industrial users are charged for sewer service on the basis of a formula based on the equivalent units of service represented by their respective discharges. One service unit is equivalent to a discharge of 280 gallons containing suspended solids and BOD loadings of 300 milligrams per liter and

250 milligrams per liter, respectively.

Historical Revenues and Expenditures. Table 5 shows a five-year history of revenues, expenditures, and fund balances for the City's Water Reclamation and Sanitary Sewer Construction Funds.

Table 5
CITY OF LIVERMORE
Water Reclamation and Sanitary Sewer Construction Funds
Revenues, Expenditures, and Fund Balances^①

	1972/73	1973/74	1974/75	1975/76	1976/77
WATER RECLAMATION FUND					
Beginning Fund Balance	\$ (20,886)	\$ 28,541	\$ 79,930	\$ 53,536	\$ 259,048
Adjusted Fund Balance ^②	\$ (19,739)	\$ 46,077	\$ 80,131	\$ 53,176	\$ 262,543
Revenues:					
Sewer Service Charges	\$ 337,024	\$ 369,244	\$ 421,561	\$ 844,544	\$ 983,000
Atomic Energy Commission Contract ...	36,138	30,660	34,348	50,809	51,910
Other Revenues	—	—	602	119	—
Total Revenues	\$ 373,162	\$ 399,904	\$ 456,511	\$ 895,472	\$1,034,910
Expenditures:					
Salaries	\$ 156,684	\$ 170,913	\$ 194,754	\$ 271,924	\$ 309,062
Materials and Supplies	112,756	140,622	221,578	404,776	518,249
Nondepartmental	28,340	29,020	34,538	—	—
Capital Outlay	27,102	25,496	32,236	12,900	23,481
Total Expenditures	\$ 324,882	\$ 366,051	\$ 483,106	\$ 689,600	\$ 850,792
Ending Fund Balance	\$ 28,541	\$ 79,930	\$ 53,536	\$ 259,048	\$ 446,661
SANITARY SEWER CONSTRUCTION FUND					
Beginning Fund Balance	\$1,228,617	\$1,316,095	\$1,209,810	\$1,124,054	\$ 746,960
Adjusted Fund Balance ^②	\$1,289,614	\$1,325,063	\$1,163,216	\$1,125,969	\$ 746,960
Revenues:					
Sewer Connection Fees	\$ 478,061	\$ 91,833	\$ 139,056	\$ 116,979	\$ 312,740
Federal and State Grants	—	—	3,053,943	1,504,147	468,556
Other Revenues	—	—	—	6,400	507
Total Revenues	\$ 478,061	\$ 91,833	\$3,192,999	\$1,627,526	\$ 781,803
Expenditures:					
Capital Outlay	\$ 451,580	\$ 207,086	\$3,208,540	\$1,990,338	\$ 266,793
Salaries	—	—	23,429	16,197	308
Material and Supplies	—	—	192	—	—
Total Expenditures	\$ 451,580	\$ 207,086	\$3,232,161	\$2,006,535	\$ 267,101
Ending Fund Balance	\$1,316,095	\$1,209,810	\$1,124,054	\$ 746,960	\$1,261,662

① City of Livermore, Report on Examination, Bray & Burke, Certified Public Accountants (1972/73 through 1976/77).

② Prior period adjustment to encumbrances and transfers.

Projected Revenue Requirements. The Director of Public Works has estimated future revenue requirements for the City's sewerage system as shown in the tabulation below. Added to these projections are the City's estimated 1978/79 construction cash flow requirements for the Agency's project and esti-

mated 1980/81 Sewer Service payments for the Agency's project. On the basis of these data, it is estimated that in 1980/81, the first full year of operation of the Agency's project, the City's revenue requirements will necessitate a rate of approximately \$9.50 per month per service unit.

Fiscal Year	Estimated Revenue Requirements			Estimated Monthly Cost Per Service Unit ^①
	City Sewerage System	Agency	Total	
1978/79	\$1,150,000	\$587,100 ^②	\$1,737,100	\$8.50
1979/80	1,300,000 ^③	—	1,300,000	6.35
1980/81	1,400,000	547,400 ^④	1,947,400	9.55 ^⑤

① Based on an estimated 17,000 single residential dwelling unit equivalents.

② Construction Cash Flow.

③ Reflects expansion of plant to 6.5 mgd capacity.

④ Sewer Service payment per Table 4.

⑤ Does not reflect the receipt and possible application of \$587,100 of Construction Cash Flow Requirements previously advanced to the Agency. If said funds are applied to meet estimated total revenue requirements the estimated cost could be reduced to approximately \$6.65.

City of Pleasanton Sewerage System

Existing Facilities. The City reports that its existing sanitary sewer system consists of approximately 90 miles of pipe ranging from 6 inches to 33 inches in diameter. All sanitary sewers were installed in, or after, 1958 except for sewers in the central downtown area which consists of approximately 8,800 feet of pipes varying in size from 10 inches to 14 inches in diameter. All newer sewers have flexible watertight plastic joints. Sewer lines in the downtown area are vitrified clay pipe with cement mortar joints and date back to 1910.

The Project Report indicates the condition of the sewer system is good despite the presence of old pipes in the central downtown area. Since 1971 the City has practiced a full-time program of preventative maintenance. The Project Report study further concluded that the City's sanitary Sewer System is not subjected to excessive infiltration/inflow.

The City serves approximately 10,815 users. As discussed previously, about one-half of the wastewater of the City of Pleasanton is treated at the City's Sunol Sewage Treatment Plant. The remainder is treated at the Dublin San Ramon Services District Wastewater Treatment Plant. The tabulation below

indicates the approximate number of users served by each of the two treatment plants.

Type of User	Users Served By		Total Users
	Sunol Plant	DSRSD Plant	
Singe Family Residential	3,440	5,040	8,480
Multiple Unit Residential	1,702	392	2,094
Commercial, Industrial, Others	201	40	241
	5,343	5,472	10,815

The Sunol Sewage Treatment Plant, located on the south side of the City, is the result of two stages of improvements. The first stage of construction in 1949 included a sewage pump station, a preaeration tank, two primary sedimentation basins, a trickling filter, filter pump stations, a digester, and sludge drying beds. The second stage of improvements in 1960 included the installation of communitors, an aeration basin, a secondary sedimentation tank, sludge heating and recirculation equipment, and a sludge thickener.

The second phase improvements increased the plant's capacity to 1.7 mgd average dry weather flow and hydraulic capacity to 3 mgd. In 1976/77 the plant treated an average of approximately 1.263 mgd of flow. During peak flow situations when wastewater flow exceeds the plant's hydraulic capacity, excess wastewater is diverted to one of the effluent ponds.

Final disposal of treated wastewater is made by spraying on approximately 162 acres of land located west of the plant. Spray fields are supplied with effluent from aerated ponds at an average application rate of 9 feet per acre per year.

The Sunol plant is manned by seven employees on a sixteen-hour per day basis, seven days a week. All sewage treatment plant operators are certified by the State Water Resources Control Board.

Future Sewage Treatment. The State Water Resources Control Board has approved grant funding of a project to expand the Dublin San Ramon Services District Wastewater Treatment Plant to 8 mgd to treat wastewater from the Sunol Sewage Treatment Plant's service area. This project provides for the construction of interceptor and pumping facilities to convey untreated wastewater from the Sunol plant to the expanded District plant. If this project is effected, sewage treatment at the City's Sunol Plant will be discontinued. Grant funding of this project is presently conditioned upon the City and District consummating an agreement to consolidate all of Pleasanton's sewage treatment at the District's expanded plant. Under the timetable established by the San Francisco Bay Region Regional Water Quality Control Board, construction of this project must be underway by June 1978.

Negotiations are in progress regarding the terms and conditions under which the City may connect the remainder of its service area to an expanded District Wastewater Treatment Plant. The major item yet to be resolved in these negotiations centers about the extent of liability the City may incur under the District's outstanding developer reimbursement agreement (see Dublin San Ramon Services District under the subsection of this Official Statement entitled, "Other Obligations and Contingencies" on page 48.

In recognition of the possibility that consummating an agreement with the District for the consolidation of all of Pleasanton's sewage treatment at an expanded District plant may still take considerable time, and may in fact not be possible, the City Council of Pleasanton adopted Resolution No. 78-27 on

January 24, 1978 to provide for an alternative method to meet the sewage treatment and disposal needs of the Sunol plant's service area. Resolution No. 78-27 requests the State Water Resources Control Board to: (1) permit the immediate construction of the interceptor sewer; and (2) approve minor changes in the end points of the interceptor sewer which will permit the interceptor sewer to convey treated sewage from the Sunol plant to the Agency's wastewater export system. Under Resolution No. 78-27, the City agrees to: (1) pay the total cost for any changes in the end points of the interceptor sewer to allow direct connection to the Agency's facilities, and (2) continue to negotiate with the District in an effort to consummate an agreement for the treatment of all of the City's sewage at an expanded District plant.

The estimated cost of the modified interceptor sewer project proposed to the State Water Resources Control Board is \$3,800,665. The estimated share of City costs is approximately \$623,000, after allowances for the receipt of Federal and State grant funds equivalent to 87.5 percent of eligible project costs. In addition to meeting its estimated share of project costs, the City will be required to meet project cash flow requirements of approximately \$760,000. This latter funding requirement results from the City's need to make construction progress payments in a timely manner and a delay of approximately 30 to 60 days from the time construction progress payments are made until Federal and State grant disbursements for construction progress payments are received.

The tabulation below shows the estimated costs and sources of funds for the modified interceptor sewer project. These data assume the State Water Resources Control Board will approve Federal and State grant-funding in an amount equivalent to 87.5 percent of eligible project costs as requested by the City's Resolution No. 78-27.

The City's estimated funding requirements for the modified interceptor sewer project is approximately \$1,373,100. The modified project, if approved by the State Water Resources Control Board for grant-funding would be constructed over a 20-month period beginning in July 1978. As of the date of this Official Statement, the City of Pleasanton has an unencumbered cash balance of \$956,300 reserved for project purposes. The City estimates that during the construction period, approximately 420 new connections will be made to the Sunol plant sewer area. At existing sewer connection rates (\$1,275

per dwelling unit equivalent), it is possible that the City would realize an additional \$535,500 which would be made available to meet the City's esti-

mated funding requirements (\$1,373,100) for the modified interceptor sewer project.

CITY OF PLEASANTON

Funding Requirements

Modified Interceptor Sewer Project

	Estimated Costs			Sources of Funds		
	Initial Project	Project Modifications	Total	Federal Grant	State Grant	City Funds
Interceptor Sewer and Pumping Facilities	\$3,550,665	\$ —	\$3,550,665	\$2,573,749	\$428,958	\$ 547,958
Interceptor Depth Adjustment	—	200,000	200,000	150,000	25,000	25,000
Interceptor End Point Changes and Chlorination Facilities	—	50,000	50,000	—	—	50,000
Construction Cash Flow Requirements①	710,133	40,000	750,133	—	—	750,133
Totals	\$4,260,798	\$290,000	\$4,550,798	\$2,723,798	\$453,958	\$1,373,091

① Estimated at 20 percent of total grant eligible costs.

Rates and Charges. Sewer service charges are billed to users on a bimonthly basis at the following rates: residential units @ \$5.75 per month; hotels and motels @ \$4.50 per month per unit; offices and light commercial users @ \$5.75 per month; and commercial users with cooking facilities @ \$7.45 per month. Industrial and heavy commercial users are billed for Sewer Service at the rate of \$7.45 for the first 1,000 cubic feet of water use plus \$0.91 for each additional 1,000 cubic feet of water use.

Unpaid sewer service charges become delinquent 25 days after the receipt of the bill. A penalty charge of 10 percent of the bill is added to delinquent accounts. If sewer service charges remain unpaid by

the next billing date, water service is shut off and not restored until full payment of charges and penalties are made.

Sewer connection fees for a single family dwelling unit in the Sunol treatment plant service area are \$1,250 plus an additional fee ranging from \$20 to \$24 that is dependent on the number of bedrooms in the unit. In the service area of the City that is connected to the Dublin San Ramon Services District Wastewater Treatment Plant sewer connection fees are purchased from the District at the rate of \$735. In addition, the City of Pleasanton's charge is \$150 plus an additional fee ranging from \$20 to \$24 that is dependent on the number of bedrooms in the unit.

Historical Revenues and Expenditures. Table 6 shows a five-year history of the City of Pleasanton's

Sewer and Drainage Fund and Sewer Improvement Fund.

Table 6

CITY OF PLEASANTON

Sewer and Drainage and Sewer Improvements Funds

Revenues, Expenditures and Fund Balances^①

	1972/73	1973/74	1974/75	1975/76	1976/77
SEWER AND DRAINAGE FUND					
Beginning Fund Balance	\$ 6,973	\$ 32,387	\$ 90,289	\$ 67,330	\$106,000
Revenues:					
Sewer Service Charges	\$358,022	\$404,228	\$540,460	\$681,116	\$723,000
Federal Grant	11,917	7,000	—	—	—
Land Lease	6,997	16,946	7,013	28,453	31,366
Reimbursements	7,634	18,443	—	130	—
Laboratory Work	96	119	110	10,168	110
Other Revenues	17,227	11,732	8,396	52,000	9,704
Transfers from Other Funds	—	—	—	—	43
Total Revenues	\$401,893	\$458,468	\$555,979	\$771,866	\$764,223
Expenditures and Transfers:					
Personal Services	\$121,727	\$152,648	\$224,817	\$251,858	\$278,214
Materials, Supplies, and Services	182,715	182,039	308,739	419,846	474,055
Transportation	3,857	3,848	6,839	7,453	8,850
Repairs and Maintenance	5,034	2,082	7,560	13,247	12,910
Capital Expenditures	13,146	5,949	15,983	40,792	20,641
Transfers to Other Funds	50,000	54,000	15,000	—	—
Total Expenditures and Transfers	\$376,479	\$400,566	\$578,938	\$733,196	\$794,670
Ending Fund Balance	\$ 32,387	\$ 90,289	\$ 67,330	\$106,000	\$ 75,553
SEWER IMPROVEMENT FUND					
Beginning Fund Balance	\$ 31,811	\$ 61,638	\$ 52	\$ 12,213	\$ 49,186
Revenues:					
Sewer Connection Fees	\$243,494	\$ 7,864	\$409,570	\$203,422	\$197,911
Sewer Connection Surcharges	52,505	543	107,224	102,078	169,347
Refunds	—	—	10,137	—	—
Holding Tanks	—	—	100	25	210
Septic Tanks	—	—	100	125	175
Hopyard Road Sewer	—	—	30,654	—	—
Other Revenues	2,969	200	—	—	18,000
Transfers from Other Funds	—	175,000	—	—	—
Total Revenues	\$298,968	\$183,607	\$557,785	\$305,650	\$325,643
Expenditures and Transfers:					
Modifications to Plant	\$ 17,033	\$170,933	NA	\$ —	\$ 38,367
Reimbursements	11,176	—	NA	—	—
Improvements	4,530	46,453	NA	216,677	144,144
Payment to V.C.S.D.	9,503	—	NA	—	20,000
Other Expenditures	1,899	27,807	NA	—	6,092
Transfers to Other Funds	225,000	—	NA	52,000	—
Total Expenditures and Transfers	\$269,141	\$245,193	\$545,624	\$268,677	\$208,603
Ending Fund Balance	\$ 61,638	\$ 52	\$ 12,213	\$ 49,186	\$166,225

^① City of Pleasanton, Report on Examination, Bray & Burke, Certified Public Accountants (1972/73 through 1976/77).

Projected Revenue Requirements. The tabulation below shows the City's estimate of projected sewerage system revenue requirements and sewer service charge rates per single-family dwelling unit equivalent for the period 1978/79 through 1980/81. Estimated operation and maintenance costs for sanitary sewer and sewage treatment purposes at the Sunol and Dublin San Ramon Services District plants allow for cost escalation at the rate of 8 percent per year. In 1980/81, the first full year of operation of

the Agency's wastewater export system, the City's payment for sewer service to the Agency is estimated at \$317,500 as previously shown in Table 4. Allowance is also made for estimated pumping costs (\$50,000) to convey treated wastewater from the Sunol plant to the Agency's wastewater export system. During this three-year period it is estimated that approximately 140 new single-family dwelling unit connections to the Sunol plant service area will be served annually beginning in 1979/80.

CITY OF PLEASANTON

Projected Sewerage Revenue Requirements and Sewer Service Charge Rates

	1978/79	1979/80	1980/81
Operation and Maintenance:			
Sanitary Sewer System ^①	\$ 161,000	\$ 174,000	\$ 188,000
Sewage Treatment—Sunol Plant ^①	444,000	479,000	518,000
Sewage Treatment—DSRSD Plant ^②	298,000	370,800	386,400
Modified Interceptor Project Pumping ^③	—	—	50,000
Payment to Agency for Sewer Service ^④	—	—	317,500
Subtotal	\$ 903,000	\$1,023,800	\$1,459,900
Agency Construction Cash Flow Requirements ^⑤	207,000	34,600	—
Estimated Total Revenue Requirements	\$1,110,000	\$1,058,400	\$1,459,900
Estimated Single-Family Dwelling Unit Equivalents Served ^⑥	10,815	10,955	11,095
Estimated Monthly Sewer Service Charge Per Single-Family			
Dwelling Unit Equivalent	\$8.55	\$8.05	\$10.95 ^⑦

① City estimate allows for an 8 percent per year escalation in costs above 1977/78 budgeted costs.

② See estimates of Brown and Caldwell, Alternate Two: Sunol Service Area Treatment Excluded, page 35.

③ City estimate first full year of operation.

④ Per Table 4.

⑤ City's estimated total Construction Cash Flow Requirements are \$310,600. The City will increase monthly sewer service charges approximately \$1.60, effective March 1, 1978. For the remainder of fiscal year 1977/78, this would produce revenue of approximately \$69,000 in 1977/78 for this purpose.

⑥ Existing number of single-family dwelling unit equivalents served (10,815) plus allowances for approximately 140 new single-family dwelling units per year in the Sunol plant service area.

⑦ Does not reflect the receipt and possible application of \$310,600 of Construction Cash Flow Requirements previously advanced to the Agency. If said funds are applied to meet estimated total revenue requirements, the estimated charge could be reduced to approximately \$8.65.

Dublin San Ramon Services District Sewerage System

Existing Facilities. The sanitary sewer system of the District consists of approximately 277 miles of

pipe ranging in size from 4 inches to 42 inches in diameter. All sewer lines were installed in or after 1960. Vitrified clay sewer lines have flexible plaster or rubber gasket type joints. Larger lines of rein-

forced concrete have rubber gasket joints. The Project Report indicates that on-going preventative maintenance activities are carried out. Infiltration/inflow analyses reported in the Project Report indicates that quantities of infiltration and inflow are not excessive.

The District's Wastewater Treatment Plant is located one mile south of the intersection of Interstate Highways 680 and 580, parallel to Interstate Highway 680 and the Alamo Canal discharge channel.

Existing sewage treatment facilities were developed in two major stages. The initial stage of construction in 1961 included the construction of the headworks, a preaeration and grit removal chamber, a primary sedimentation basin, an aeration basin and blower building, a secondary sedimentation tank, a chlorine contact basin, a digester, a sludge lagoon, an emergency holding basin, and an administration building. The initial stage of the District's Wastewater Treatment Plant provided treatment capacity for an average day weather flow of 2.5 mgd.

In 1971 the second stage of construction provided for an additional preaeration and grit removal chamber, a primary sedimentation basin, a secondary sedimentation tank, chlorine contact basin expansion, dual media filters, a backwash holding tank, chemical storage facilities, a digester and a sludge lagoon. The second stage addition increased treatment capacity to 4 mgd average dry weather flow. The plant has the ability to handle peak wet weather flows by diversion of portions of the sewage to a holding basin. The diverted sewage is returned to the plant when influent flow rates drop sufficiently to allow treatment. Existing power transmission facilities are set up to supply power from either of two circuits should emergency conditions warrant such action. Auxiliary generators are also available for standby power.

Wastewater flow to the District's plant is primarily domestic in composition. Industrial contributions are minimal. Presently, wastewater flows from the Dublin San Ramon service area approximate 2.6 mgd. Within the Dublin San Ramon service area there are an estimated 7,323 residential units and 272 commercial, industrial, and institutional users. In addition, approximately 1.4 mgd of wastewater flow is received from an estimated 5,472 users in that part of the City of Pleasanton served by the District's plant.

The District's plant operates 24 hours a day, seven days a week, with a staff of 15 full-time and 2 part-time employees. All operators are certified by the State Water Resources Control Board. Due to

rigid discharge requirements set by the State's regulatory agencies, a very high degree of sewage treatment is required. The plant is providing levels of treatment which meets and exceeds these requirements.

Rates and Charges. Single-family residential units are charged for sewer service at the rate of \$11.50 bi-monthly. The charge per residential unit in multiple-family structures is \$7.67 bi-monthly. Commercial, industrial, and institutional users are assessed the same flat rate bi-monthly as single-family residential users for water use of up to 3,000 cubic feet. Thereafter an additional charge of \$1.92 is made for each 500 cubic feet of water use computed on the next highest multiple of 500 cubic feet.

Sewer service charge bills are mailed bi-monthly and are payable upon receipt. If unpaid after 30 days, a delinquent penalty of 10 percent is assessed. If bills are unpaid after 60 days, service may be discontinued.

Residential users in the City of Pleasanton are billed for sewer service by the City at the rate of \$11.50 bi-monthly. The City retains 12.5 percent of the amount billed to cover its costs of billing and sewage collection system maintenance. The remainder is paid by the City to the District.

Sewer service connection fees in the District's service area are based on a schedule of single-family dwelling unit equivalences. The current sewer connection fee for this type of unit is \$735.

Historical Revenues and Expenditures. The District's audit report for the fiscal year ending June 30, 1977 states that Enterprise Fund's account for the acquisition, operation and maintenance of District facilities and services are entirely or predominantly self-supporting by user charges. These funds are maintained on an accrual basis.

The Sewer System Enterprise Fund revenue is principally sewer service fees and sewer connection fees. This fund received 90 percent of sewer service fees and allocates the remaining 10 percent to the General Fund when received. The Sewer System Enterprise Fund also receives \$145 of each sewer connection fee with the remainder allocated to the Sewer Expansion Fund. The General Fund receives 5 percent of the connection fee as collected by the Sewer System Enterprise and Sewer Expansion Funds.

Table 7 shows a five-year history of revenues, expenditures, and fund balances for the District's Sewer System Enterprise Fund and Sewer Expansion Fund.

Table 7

DUBLIN SAN RAMON SERVICES DISTRICT**Sewer System Enterprise and Sewer Expansion Funds****Revenues, Expenditures, and Fund Balances**

	1972/73 ^①	1973/74 ^②	1974/75 ^②	1975/76 ^②	1976/77 ^②
SEWER SYSTEM ENTERPRISE FUND					
Revenues:					
Sewer Service Fees	\$ 387,598	\$ 446,373	\$ 531,911	\$ 786,657	\$ 831,235
Connection Fees	138,099	2,238	91,527	147,890	23,455
Interest Earned	38	—	18,957	11,401	15,168
Penalties	—	12	—	—	—
Other Revenues	—	115	—	625	69
Total Revenues	\$ 525,735	\$ 468,738	\$ 642,395	\$ 946,573	\$ 869,927
Expenditures:					
Personal Services	\$ 227,754	\$ 262,455	\$ 314,565	\$ 353,776	\$ 383,624
Materials and Supplies	139,279	145,889	188,910	244,424	269,231
Contractual Services	9,555	34,660	27,715	39,853	35,480
Capital Expenditures	9,786	—	823	5,255	—
Other Expenses	—	13,563	6,157	7,332	6,004
Total Expenditures	\$ 386,374	\$ 456,567	\$ 538,170	\$ 650,640	\$ 694,339
Excess of Revenues (Expenditures)	\$ 139,361	\$ 12,171	\$ 104,225	\$ 295,933	\$ 175,588
Provision for Depreciation	56,828	102,965	204,794	179,817	181,201
Net Income (Loss)	\$ 825,533	\$ (90,794)	\$ (100,569)	\$ 116,116	\$ (5,613)
Beginning Fund Balance	\$ 93,065	\$ 229,226	\$ 245,919	\$ 341,538	\$ 612,908
Net Income (Loss)	82,533	(90,794)	(100,569)	116,116	(5,613)
Transfer to Investment in Plant and Equipment	56,828	—	—	—	—
Transfer from Investment in Plant and Equipment	—	101,045	191,455	155,254	173,402
Transfer to Other Funds	—	—	—	—	(550,000)
Transfer from Appropriated Reserve	—	8,000	—	—	—
Prior Year Adjustments	(3,200)	(1,558)	4,733	—	250
Ending Fund Balance	\$ 229,226	\$ 245,919	\$ 341,538	\$ 612,908	\$ 231,447
SEWER EXPANSION FUND					
Revenues:					
Connection Fees	\$ 593,539	\$ 49,460	\$ 421,980	\$ 641,528	\$ 136,739
Federal and State Grants	1,027,300	391,700	74,200	21,700	38,600
Interest Earned	—	24,797	51,702	55,765	76,468
Other Revenue	—	—	—	50	—
Total Revenues	\$1,620,839	\$ 465,957	\$ 547,882	\$ 719,043	\$ 251,807
Expenditures:					
Capital Expenditures	\$1,434,480	\$ 185,579	\$ 22,358	\$ —	\$ 137,807
Contractual Services	—	12,087	41,952	22,693	6,380
Materials and Supplies	—	—	34	7,945	—
Interest Expense	35,290	24,798	18,341	11,042	—
Other Expenses	1,948	29	—	20,267	53,427
Total Expenditures	\$1,471,718	\$ 222,493	\$ 82,685	\$ 61,947	\$ 197,614
Beginning Fund Balance	\$ (328,375)	\$ (178,075)	\$ 113,061	\$ 575,007	\$1,238,636
Excess of Revenues (Expenditures)	149,121	243,464	465,197	657,096	54,193
Prior Year Adjustments	1,179	(10,563)	(3,251)	6,533	1,121
City of Pleasanton	—	58,235	—	—	—
Transfer from Other Funds	—	—	—	—	550,000
Ending Fund Balance	\$ (178,075)	\$ 113,061	\$ 575,007	\$1,238,636	\$1,843,950

① Audited Financial Statements and Other Financial Information, Valley Community Services District, Ernst & Ernst.

② Valley Community Services District Report on Examination, Hansen & Company, Certified Public Accountants.

Projected Revenue Requirements. The District has engaged Brown and Caldwell, consulting engineers, to prepare a wastewater revenue program to reflect projected revenue requirements for the District's sewerage system.

The tabulation on page 35 summarizes projected revenue requirements and application of funds prepared by Brown and Caldwell to reflect two alternates relative to the future treatment of sewage from the City of Pleasanton's existing Sunol Sewage Treatment Plant service area.

Alternate One (Sunol Service Area Treatment Included) assumes that sewage from the Sunol Service Area will be treated at an expanded Dublin San

Ramon Services District Plant beginning in 1980/81. Alternate Two (Sunol Service Area Treatment Excluded) assumes the City of Pleasanton's modified interceptor sewer project (previously described under the section of this Official Statement entitled City of Pleasanton Sewerage System, subsection "Future Sewage Treatment" beginning on page 28) will be implemented.

The tabulation below shows for the two alternates the estimated total annual revenue requirements and monthly sewer service charges required per single-family dwelling unit equivalent for the Dublin San Ramon Services District and the City of Pleasanton through 1980/81, the first full year of operation of the Agency's project.

	1978/79		1979/80		1980/81	
	Alternate One	Alternate Two	Alternate One	Alternate Two	Alternate One	Alternate Two
Dublin San Ramon Services District						
User Charge Requirements ^①	\$ 730,700	\$ 670,371	\$ 730,700	\$ 852,400	\$ 745,300	\$ 869,400
Agency Construction Cash Flow Requirements ...	182,400	182,400	30,400	30,400	—	—
Payment to Agency for Sewer Service ^②	—	—	—	—	259,300	259,300
Estimated Total Revenue Requirements .	\$ 913,100	\$ 852,771	\$ 761,100	\$ 882,800	\$1,004,600	\$1,128,700
Estimated Monthly Sewer Service Charge Per Single-Family Dwelling Unit Equivalent ^③	\$8.30	\$7.75	\$6.90	\$8.00	\$ 9.10 ^⑤	\$10.25 ^⑤
City of Pleasanton						
User Charge Requirements—DSRSD ^①	\$ 324,700	\$ 298,000	\$ 324,700	\$ 370,800	\$ 790,000	\$ 386,400
Sewage Treatment—Sunol Plant ^④	444,000	444,000	479,000	479,000	—	518,000
Sanitary Sewer System ^④ .	161,000	161,000	174,000	174,000	188,000	188,000
Interceptor Pumping Costs ^④	—	—	—	—	50,000	50,000
Agency Construction Cash Flow Requirements ^④ ..	207,000	207,000	34,600	34,600	—	—
Payment to Agency for Sewer Service ^②	—	—	—	—	317,500	317,500
Estimated Total Revenue Requirements .	\$1,136,700	\$1,110,000 ^④	\$1,012,300	\$1,058,400 ^④	\$1,345,500	\$1,459,900 ^④
Estimated Monthly Sewer Service Charge Per Single-Family Dwelling Unit Equivalent	\$8.75	\$8.55	\$7.70	\$8.05	\$10.10 ^⑤	\$10.95 ^⑤

① See estimates of Brown and Caldwell, page 35. ② Per Table 4, page 24. ③ Estimated 9,200 single-family dwelling unit equivalents. ④ Per tabulation, page 31.

⑤ Does not reflect the receipt and possible application of Construction Cash Flow Requirements previously advanced to the Agency. If said funds are applied to meet estimated total revenue requirements, the estimated charge could be reduced by approximately \$2.40 (Dublin San Ramon Services District) and approximately \$2.30 (City of Pleasanton).

DUBLIN SAN RAMON SERVICES DISTRICT
PROJECTED REVENUE REQUIREMENTS AND APPLICATION OF FUNDS

Sunol Service Area Treatment Alternates^①

	1978/79	1979/80	1980/81
Alternate One: Sunol Service Area Treatment Included			
Sewer System Fund Operating Reserve Beginning Balance	\$ 135,400	\$ 145,850	\$ 59,850
User Charge Revenues			
Dublin San Ramon Services District	\$ 730,700	\$ 730,700	\$ 745,300
City of Pleasanton	324,700	324,700	790,000
Subtotal	\$1,055,400	\$1,055,400	\$1,535,300
Total Available Funds	\$1,190,800	\$1,201,250	\$1,595,150
Application of Funds			
Operation and Maintenance			
Collection	\$ 47,050	\$ 50,900	\$ 54,950
Treatment	859,300	949,200	1,148,500
Administration	105,500	105,500	153,500
Customer Accounts	23,100	25,400	27,400
Subtotal	\$1,034,950	\$1,131,000	\$1,384,350
Capital Costs			
Collection	\$ 5,000	\$ 5,000	\$ 5,000
Treatment	5,000	5,400	5,800
Subtotal	\$ 10,000	\$ 10,400	\$ 10,800
Sewer System Fund Operating Reserve Ending Balance	\$ 145,850	\$ 59,850	\$ 200,000
Alternate Two: Sunol Service Area Treatment Excluded			
Sewer System Fund Operating Reserve Beginning Balance	\$ 135,400	\$ 67,379	\$ 132,379
User Charge Revenues			
Dublin San Ramon Services District	\$ 670,371	\$ 852,400	\$ 869,400
City of Pleasanton	297,886	370,800	386,400
Subtotal	\$ 968,257	\$1,223,200	\$1,255,800
Total Available Funds	\$1,103,657	\$1,290,579	\$1,388,179
Application of Funds			
Operation and Maintenance			
Collection	\$ 47,050	\$ 50,900	\$ 54,950
Treatment	859,300	949,200	980,200
Administration	96,828	122,300	125,600
Customer Accounts	23,100	25,400	27,400
Subtotal	\$1,026,278	\$1,147,800	\$1,188,150
Capital Costs			
Collection	\$ 5,000	\$ 5,000	\$ 5,000
Treatment	5,000	5,400	5,800
Subtotal	\$ 10,000	\$ 10,400	\$ 10,800
Sewer System Fund Operating Reserve Ending Balance	\$ 67,379	\$ 132,379	\$ 189,229

^① Estimates of Brown and Caldwell, consulting engineers.

AGENCY MEMBER ENTITIES' FINANCIAL DATA

This section of the Official Statement discusses financial data relative to the member entities of the Agency: the City of Livermore; the City of Pleasanton; and the Dublin San Ramon Services District (formerly designated as the Valley Community Services District).

Assessed Valuations

The 1977/78 combined assessed valuations of the Agency's three member entities is \$480,805,996. Approximately 88.7 percent of this total assessed valuation is in Alameda County, and the balance is in Contra Costa County.

The Alameda and Contra Costa County Assessors assess property for tax purposes. The State Board of Equalization reports the 1977/78 Alameda County valuations average 24.2 percent of full market value and Contra Costa County valuations average 24.4 percent of full market value. In both counties public utility property is assessed by the State Board of Equalization at 25 percent of full market value.

Under amendments to the Constitution and Statutes of the State of California, two types of exemptions of property from ad valorem taxes became effective in the 1969/70 fiscal year. One exempts 50 percent of the value of business inventories from ad valorem taxes. The other provides for an exemption of \$1,750 of the assessed valuation of an owner-occupied dwelling if the owner files for the exemption. Under a recently enacted Constitutional Amendment, the California Legislature can raise this exemption. Revenue estimated to be lost to each taxing entity as a result of these exemptions is fully reimbursed to the taxing entity from state funds. The reimbursement is based upon total taxes which would be due on the assessed valuation of the property qualifying for these exemptions, without allowance for tax collection delinquencies.

The 1977/78 assessed valuations of each member entity by tax roll, before and after the State-reimbursed exemptions discussed above are shown in Table 8. A five-year history of each member entity's assessed valuations are shown in Table 9.

Tax Rates

Taxes are levied on the assessed valuation of member entities as established by the State Board of Equalization and the respective County Assessors of Alameda and Contra Costa Counties.

City of Livermore. The City's 1977/78 tax rate is \$1.50 per \$100 assessed valuation composed of the following components:

General Fund	\$0.885
Retirement Fund	0.18
Library Fund	0.22
Park and Recreation	0.13
Bond of 1955	0.02
Bond of 1958	0.045
Bond of 1965	0.02
Total	\$1.50

Tax Code Area 16-000 has the largest assessed valuation (\$146,506,990 in 1977/78) of the city's four tax code areas. All 1977/78 tax rates in this tax code area are shown in Table 10.

City of Pleasanton. The city's 1977/78 tax rate per \$100 assessed valuation is \$1.80, a reduction of \$0.06 from the 1976/77 tax rate. The current rate is composed of \$1.76 for general purposes, and \$0.04 for general obligation bonds.

Tax Code Area 19-000 is the largest of the city's 23 tax code areas, with a 1977/78 assessed valuation of \$77,244,224. All current tax rates in this tax code area are shown in Table 10.

Table 8**Agency Member Entity 1977/78 Assessed Valuations**

Tax Roll	Net Taxable Assessed Valuation	Homeowners Exemptions	Business Inventory Exemptions	Assessed Valuation for Revenue Purposes
City of Livermore				
Secured	\$151,743,868	\$19,452,900	\$ 237,995	\$171,434,763
Utility	7,674,310	—	—	7,674,310
Unsecured	7,130,305	—	2,264,660	9,394,965
Total	\$166,548,483	\$19,452,900	\$2,502,655	\$188,504,038
City of Pleasanton				
Secured	\$139,257,643	\$13,483,050	\$ 868,695	\$153,609,388
Utility	4,940,740	—	—	4,940,740
Unsecured	6,282,243	—	653,465	6,935,708
Total	\$150,480,626	\$13,483,050	\$1,522,160	\$165,485,836
Dublin San Ramon Services District— (Alameda County)				
Secured	\$ 58,447,283	\$ 5,204,500	\$ 48,150	\$ 63,699,933
Utility	1,590,200	—	—	1,590,200
Unsecured	5,386,241	—	1,724,785	7,111,026
Total	\$ 65,423,724	\$ 5,204,500	\$1,772,935	\$ 72,401,159
Dublin San Ramon Services District— (Contra Costa County)				
Secured	\$ 46,133,858	\$ 4,617,550	\$ 837,707	\$ 51,589,115
Utility	1,563,060	—	—	1,563,060
Unsecured	1,185,058	—	77,730	1,262,788
Total	\$ 48,881,976	\$ 4,617,550	\$ 915,437	\$ 54,414,963
Total Service Area	\$431,334,809	\$42,758,000	\$6,713,187	\$480,805,996

Sources: Offices of the Auditor-Controller, Alameda and Contra Costa Counties.

Table 9**Agency Member Entity History of Assessed Valuations**

Year	City of Livermore	City of Pleasanton	Dublin San Ramon Services District	Total Service Area
1973/74	\$115,752,919	\$ 98,680,493	\$ 74,118,773	\$288,552,185
1974/75	130,837,611	110,124,699	81,262,377	322,224,687
1975/76	141,731,832	117,174,918	92,484,454	351,391,204
1976/77	159,891,661	137,265,510	105,044,608	402,201,779
1977/78	188,504,038	165,485,836	126,816,122	480,805,996

Sources: Offices of the Auditor-Controller, Alameda and Contra Costa Counties.

Table 10

Agency Member Entity 1977/78 Tax Rates

Agency	City of Livermore Tax Code Area 16-000	City of Pleasanton Tax Code Area 19-000	Dublin San Ramon Services District	
			Tax Code Area 72-004	Tax Code Area 66085
Alameda County				
Alameda County	\$ 3.07	\$ 3.07	\$ 3.07	\$ —
So. County Community College District .....	.5690	.5690	.5690	—
Other Education	6.2440	6.1150	6.7340	—
County Library	—	.2500	.2500	—
County Flood Control .....	.0140	.0140	.0140	—
Flood Zone 7 General .....	.2800	.2800	.2800	—
Air Pollution Control .....	.0160	.0160	.0160	—
Mosquito Abatement .....	.0100	.0100	.0100	—
Bay Area Rapid Transit .....	.4310	.4310	.4310	—
Livermore Area Recreation and Park District .....	.6594	—	—	—
East Bay Regional Park District	—	.2070	.2070	—
Dublin San Ramon Services District	—	—	1.3170	—
Dublin San Ramon Services District Improvement Dis- trict 1	—	—	.2380	—
County Service Area L-73-1	—	—	.2610	—
City of Livermore	1.50	—	—	—
City of Pleasanton	—	1.80	—	—
Rate, All Property	\$12.7934	\$12.7620	\$13.3970	\$ —
Flood Zone 7 Bond (Land and Improvements) .....	.0600	.0600	.0600	—
Alameda County Res. Conservation (Land less mineral rights) .....	.0080	.0080	.0080	—
Total Rate	\$12.8614	\$12.8300	\$13.4650	\$ —
Contra Costa County				
Contra Costa County	\$ —	\$ —	\$ —	\$ 2.337
County Library	—	—	—	.158
County Service Area M-4	—	—	—	.135
County Flood Control	—	—	—	.020
County Water Agency	—	—	—	.004
Mosquito Abatement	—	—	—	.016
East Bay Municipal Utility District	—	—	—	.112
Bay Area Rapid Transit	—	—	—	.428
Bay Area Air Pollution Control District	—	—	—	.015
Dublin San Ramon Services District	—	—	—	1.274
Dublin San Ramon Services District Improvement Dis- trict 1	—	—	—	.238
East Bay Regional Park District	—	—	—	.203
Community College District	—	—	—	.708
Other Education	—	—	—	6.143
Rate, All Property	\$ —	\$ —	\$ —	\$11.791
Contra Costa Res. Conservation (Land less mineral rights)				.009
Total Rate				\$11.800

Sources: Offices of the Auditor-Controller, Alameda and Contra Costa Counties.

Dublin San Ramon Services District. For the 1977/78 tax year, the District's tax rates are \$1.512 per \$100 assessed valuation in Contra Costa County, and \$1.555 per \$100 assessed valuation in Alameda County.

The District levies a property tax in four tax code areas in Contra Costa County, five tax code areas in Alameda County (unincorporated) and two tax code areas in the City of Pleasanton. Tax Code Area 66085, largest of those in Contra Costa County, has a 1977/78 assessed valuation of \$46,594,293. Tax Code Area 72-004, largest in Alameda County, has a 1977/78 assessed valuation of \$64,039,439. All current tax rates in these tax code areas are presented in Table 10.

The District levies a tax for Improvement District 1, which was formed in 1970 to provide recreational services. In 1977/78 this tax rate is \$0.238 per \$100 assessed valuation in both counties.

Jarvis Amendment

A proposed initiative constitutional amendment to the California Constitution entitled "Property Tax Limitation, Initiative Constitutional Amendment" will be submitted to the voters of the State of California at the June 6, 1978 statewide election.

The office of the Attorney General of the State of California has provided the following summary of the initiative:

"PROPERTY TAX LIMITATION. INITIATIVE CONSTITUTIONAL AMENDMENT. Limits ad valorem taxes on real property to 1% of value except to pay indebtedness previously approved by voters. Establishes 1975-76 assessed valuation as base value of property for tax purposes. Limits annual increases in value. Provides for reassessment after sale, transfer or construction. Requires $\frac{2}{3}$ vote of Legislature to enact any change in state taxes designed to increase revenues. Prohibits imposition by state of new ad valorem, sales, or transaction taxes on real property. Authorizes specified local entities to impose special taxes except ad valorem, sales and transaction taxes on real property. Financial Impact: Would result in the loss of local property tax revenues of \$7 billion to \$8 billion annually and a reduction in state costs of about \$700 million in 1978-79 and \$800 million annually thereafter."

If approved by the voters, the initiative constitutional amendment will not affect the Agency's obli-

gation under the Sewer Service Contract to collect rates and charges from the Cities of Livermore and Pleasanton and the Dublin San Ramon Services District to pay the principal of and interest on the Bonds. However, the amendment, if approved, could have a significant adverse impact on the financial condition of the Cities of Livermore and Pleasanton and the Dublin San Ramon Services District, in that property tax revenue available to such Cities and such District could be substantially reduced.

The Agency cannot predict whether this initiative constitutional amendment will be approved by the voters of the State of California, or, if approved, whether the validity of the initiative will be challenged in the courts, or, if so challenged, whether the initiative will be upheld, in whole or in part. Also, the Agency is unable to make any predictions as to whether additional sources of money would be made available by the California Legislature to cities and public districts, including the Cities of Livermore and Pleasanton and the Dublin San Ramon Services District, if the initiative is approved and results in a reduction in property tax revenues available to cities and public districts, including the Cities of Livermore and Pleasanton and the Dublin San Ramon Services District.

Tax Levies, Collections, and Delinquencies

Property taxes of member entities are collected by the Alameda County and Contra Costa County Tax Collectors at the same time and on the same tax rolls as are county, city, and special district taxes. Secured roll taxes are due in two installments on November 1 and February 1 of each year and become delinquent on December 10 and April 10, respectively. Unsecured roll taxes are payable March 1 and become delinquent on August 31.

Secured tax levies and current delinquencies for each member entity since the 1972/73 tax year are shown in Table 11. For the five year period, average annual current delinquencies were as follows: City of Livermore, 2.04%; City of Pleasanton, 1.47%; Dublin San Ramon Services District, 2.45%.

For the Dublin San Ramon Services District, secured tax delinquencies are shown for Alameda County tax rate areas only. Contra Costa County and its subsidiary public entities operate under Sections 4701-4717 of the State Revenue and Taxation Code. Pursuant to these code sections, all entities which levy taxes on the County tax rolls are credited with 100 percent of their respective tax levies

in September of each year after the entities' assessed valuations have been equalized and tax rates have been established. Under this procedure the District is guaranteed the full amount of its annual tax levy in Contra Costa County regardless of the amounts

actually collected. The County has established a delinquency reserve (Guarantee Fund) into which all county-wide penalty collections are deposited. As of June 30, 1977 the Guarantee Fund balance was \$10,073,672.

Table 11
Member Entity Secured Tax Levies, Collections, and Delinquencies

Entity	Secured Tax Levy	Amount Collected June 30	Amount Delinquent June 30	Percent Delinquent
City of Livermore				
1972/73	\$1,303,301	\$1,274,720	\$28,581	2.19%
1973/74	1,369,197	1,338,381	30,816	2.25
1974/75	1,506,451	1,466,616	39,835	2.64
1975/76	1,718,844	1,679,797	39,047	2.27
1976/77	1,984,652	1,967,639	17,013	0.86
City of Pleasanton				
1972/73	\$1,321,572	\$1,305,152	\$16,420	1.24%
1973/74	1,328,605	1,308,953	19,652	1.48
1974/75	1,548,613	1,520,703	27,910	1.80
1975/76	1,772,580	1,746,373	26,207	1.48
1976/77	2,184,226	2,155,121	29,105	1.33
Dublin San Ramon Services District①				
1972/73	\$ 446,857	\$ 435,915	\$10,942	2.45%
1973/74	444,677	430,247	14,430	3.25
1974/75	529,164	518,814	10,350	1.96
1975/76	726,854	713,099	13,755	1.89
1976/77	758,466	738,073	20,393	2.69

① Alameda County only. Includes Improvement District No. 1.

Source: Alameda County Auditor-Controller.

Major Taxpayers

A list of the ten largest property taxpayers in each of the Agency's member entities is shown in Table 12.

Table 12

Agency Member Entity Largest Taxpayers

Member Entity and Largest Taxpayer	1977/78 Assessed Valuation
City of Livermore	
Pacific Telephone Co.	\$532,369
Pacific Gas and Electric Co.	399,355
Intel Corp.	150,836
Mehrans Sunset Homes	83,602
Sears, Roebuck & Co.	82,383
Southern Pacific Transportation Co. ..	72,984
California Water Service	67,486
Hexcel Corp.	63,905
Home Savings & Loan Assoc.	56,757
Connelly, Rose	40,744
City of Pleasanton	
Kaiser Industries	\$567,040
Firestone, R. C., Leonard K., and Anne J.; Elizabeth P.	476,710
Pacific Telephone Co.	238,878
Pacific Gas and Electric Co.	266,093
Tenneco Chemicals, Inc.	157,387
Western Title Co.	132,837
Clorox Corp.	118,754
Scholastic Magazines	90,180
Peter Kiewit & Sons Co.	62,939
Willow West Properties	62,192
Dublin San Ramon Services District	
Bank of America N.T. & S.A.	\$352,152
Eastman Kodak Co.	313,173
Baydale Inc.	230,575
Pacific Telephone Company	198,171
Pacific Gas and Electric Co.	175,795
Shapell Industries	147,063
B. F. Saul-Vanguard Investments	121,420
Grubb & Ellis Realty	101,797
Transamerica Title Co.	81,808
Estate Homes	77,582

Sources: Office of County Assessor, Alameda and Contra Costa Counties.

Fund Balances

The City of Livermore reported the following Fund Balances to the State Controller for fiscal year 1976/77:

Beginning of Year	\$2,559,396
End of Year	\$3,681,223

The City of Pleasanton reported the following Fund Balances to the State Controller for fiscal year 1976/77:

Beginning of Year	\$ 670,914
End of Year	\$1,439,521

The Dublin San Ramon Services District's fund balances as of June 30, 1977, as stated in the 1976/77 audit report of the District are:

General Fund	\$ 673,438
Expansion Fund—Sewer	1,843,950
Expansion Fund—Water	250,587
Enterprise Fund—Sewer	231,447
Enterprise Fund—Water	147,682
Debt Service Fund I.D. No. 1	71,950
Redemption Fund, District 1960-1	342
Redemption Fund, District 1961-1	(31)

Revenue and Expenditure Summaries

Summaries of revenues and expenditures for the Cities of Livermore and Pleasanton for the fiscal years 1972/73 through 1976/77 are shown in Table 13 and Table 14, respectively. General Fund revenues and expenditures of the Dublin San Ramon Services District for the fiscal years 1972/73 through 1976/77 are shown in Table 15.

Table 13
CITY OF LIVERMORE
Summary of Revenues and Expenditures

	1972/73	1973/74	1974/75	1975/76	1976/77
Revenues:					
Property Taxes	\$1,367,486	\$1,437,645	\$ 1,620,208	\$1,817,898	\$2,109,752
Sales Taxes	614,808	674,896	778,566	859,363	1,005,523
Other Taxes	459,397	261,017	366,494	336,605	597,325
Licenses and Permits	267,600	82,169	69,000	74,787	110,881
Fines and Penalties	92,136	100,852	96,804	92,308	244,143
Use of Money and Property	218,764	330,030	288,587	137,887	130,890
From Other Agencies	1,546,353	1,833,497	5,973,701	4,290,267	4,142,155
Current Service Charges	320,768	428,905	386,851	374,570	382,863
Other	508,258	101,932	251,347	236,353	479,434
Total	\$5,395,570	\$5,250,943	\$ 9,831,558	\$8,220,038	\$9,202,966
Expenditures:					
General Government	\$ 799,891	\$ 925,104	\$ 1,177,784	\$1,483,493	\$1,650,680
Public Safety	1,493,118	2,415,377	2,250,804	2,776,343	2,880,935
Public Works	1,366,025	1,621,339	5,596,657	1,955,979	1,984,774
Library Services	205,621	223,508	249,696	306,156	323,543
Parks and Recreation	659,495	578,808	658,453	850,640	676,582
Contributions—Government				2,019,443 ^①	
Debt Service	135,335	132,240	129,135	125,873	132,598
Total	\$4,659,485	\$5,896,376	\$10,062,529	\$9,517,927	\$7,649,112
Capital Outlay Included in Expenditures .	\$1,204,696	\$1,844,047	\$ 5,328,740	\$2,012,976	\$1,581,977

① Contributions to City-owned Enterprises.

Source: State Controller's Report, *Financial Transactions of California Cities*.

Table 14

CITY OF PLEASANTON

Summary of Revenues and Expenditures

	1972/73	1973/74	1974/75	1975/76	1976/77
Revenues:					
Property Taxes	\$1,410,759	\$1,381,776	\$1,608,615	\$1,850,804	\$2,331,523
Sales Taxes	294,063	364,283	377,061	486,180	569,826
Other Taxes	164,584	149,660	193,540	288,002	252,874
Licenses and Permits	132,273	97,624	123,164	149,737	135,860
Fines and Penalties	47,562	48,173	65,303	30,422	50,870
Use of Money and Property	88,777	190,315	140,317	113,944	128,126
From Other Agencies	1,000,899	1,176,349	1,221,084	1,229,036	1,649,344
Current Service Charges	578,900	397,977	454,283	276,326	338,203
Other	133,658	110,115	153,626	135,075	87,439
Total	\$3,851,475	\$3,916,272	\$4,336,993	\$4,559,526	\$5,544,065
Expenditures:					
General Government	\$ 708,853	\$ 872,580	\$ 807,585	\$ 918,270	\$ 967,822
Public Safety	1,194,659	1,383,772	1,604,772	1,921,270	1,993,563
Public Works	999,770	1,023,044	835,133	890,914	864,145
Health Services	9,469	14,293	15,352	32,370	22,996
Library Services					
Parks and Recreation	394,662	524,813	773,243	840,010	745,265
Debt Service	119,041	117,145	120,305	118,103	126,970
Total	\$3,426,454	\$3,935,647	\$4,155,813	\$4,720,937	\$4,720,761
Capital Outlay Included in Expenditures .	\$ 641,887	\$ 792,632	\$ 709,722	\$ 661,599	\$ 350,424

Source: State Controller's Report, *Financial Transactions of California Cities*.

Table 15

DUBLIN SAN RAMON SERVICES DISTRICT

Summary of General Fund Revenues and Expenditures

	1972/73	1973/74	1974/75	1975/76	1976/77
Revenues:					
General Property Taxes	\$642,542	\$749,915	\$ 823,342	\$1,267,599	\$1,403,149
Recreation Activities	13,585	18,074	20,755	92,907	93,608
Park Dedication Fees				103,455	64,840
Interest Earned	38,481	39,215	16,763	18,079	54,610
Refuse Collection Franchise	21,089	22,073	22,165	25,394	36,230
From Other Agencies				109,935	25,000
General Government Fees	48,840	945	1,743	22,890	15,773
Community Center Fees		5,633	9,568	11,451	13,160
Miscellaneous	3,522	1,309	1,129	44,231	2,405
Enterprise Fund—Sewer	42,319	51,417	85,440	85,794	103,353
Enterprise Fund—Water		1,608	38,009	41,130	8,174
Total	\$810,378	\$890,189	\$1,018,914	\$1,822,865	\$1,820,302
Expenditures:					
Personnel Services	\$725,651	\$753,230	\$ 804,534	\$ 930,881	\$1,063,810
Materials and Supplies	73,281	70,151	80,753	164,995	180,089
Contractual Services	43,347	42,004	58,236	122,244	127,111
Capital Outlay	21,705	1,890	3,929	159,864	314,277
Other Expenses	—	14,153	13,640	16,058	12,968
	\$863,984	\$881,428	\$ 961,092	\$1,394,042	\$1,698,255
Fund Balance, June 30 (Adjusted)	\$322,616	\$294,141	\$ 302,199	\$ 674,569①	\$ 673,438①

① Includes funds accumulated from recreation, parks and aquatics revenue sources, including a portion of property tax revenues, as follows: 1975/76, \$226,346; 1976/77, \$124,002.

Source: Dublin San Ramon Services District, Reports on Examination, Hansen & Company, Certified Public Accountants (1972/73 through 1976/77).

Debt Statements

Statements of direct and estimated overlapping bonded debt of Agency member entities are shown

in Table 16 (City of Livermore), Table 17 (City of Pleasanton), and Table 18 (Dublin San Ramon Services District).

Table 16

CITY OF LIVERMORE

Statement of Direct and Estimated Overlapping Bonded Debt^①

Estimated Population	48,500
1977/78 Assessed Valuation	\$188,504,038 ^②
Estimated Real Value	\$777,927,000 ^③

Public Entity	Percent Applicable	Estimated Debt Applicable February 15, 1978
San Francisco Bay Area Rapid Transit District	1.505%	\$10,877,764
Oakland-Alameda County Coliseum	1.783	398,033
Alameda County Flood Control and Water Conservation District, Zone 7 ..	38.157	1,329,771
South County Joint Junior College District	8.844	713,710
Livermore Valley Joint Unified School District	83.996-84.947	13,411,649
City of Livermore	100.	430,000
City of Livermore Golf Course Authority	100.	1,131,000
City of Livermore 1915 Act Bonds	100.	1,792,736
TOTAL DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT		\$30,084,663^④

	Ratio to 1977/78		
	Assessed Valuation	Estimated Real Value	Per Capita
Assessed Valuation	—	—	\$3,886
Direct Debt (\$1,558,000) .....	.83%	.20%	32
Direct and Estimated Overlapping Bonded Debt (\$30,084,663)	15.96	3.87	620

① Compiled in cooperation with California Municipal Statistics, Inc.

② Before deduction of \$21,955,555 homeowners and business inventory exemptions, the taxes on which are paid by the State of California.

③ State Board of Equalization reports 1977/78 Alameda County assessed valuations averaged 24.2% of full market value. Public utility property is assessed at 25% of full market value by the State Board of Equalization.

④ Excludes share of \$6,304,345 Alameda County lease-purchase Agreements (\$224,750).

Table 17

CITY OF PLEASANTON

Statement of Direct and Estimated Overlapping Bonded Debt^①

Estimated Population	33,650	
1977/78 Assessed Valuation	\$165,485,836 ^②	
Estimated Real Value	\$683,172,000 ^③	
Public Entity	Percent Applicable	Estimated Debt Applicable February 15, 1978
San Francisco Bay Area Rapid Transit District	1.320%	\$ 9,540,630
Oakland-Alameda County Coliseum	1.565	349,465
Alameda County Flood Control and Water Conservation District, Zone 7 ..	33.327	1,161,445
South County Joint Junior College District	7.764	626,554
Amador Valley Joint Union High School District	59.328-59.598	4,627,386
Livermore Valley Joint Unified School District	0.033	13,917
Murray School District	37.572-37.930	1,382,169
Pleasanton Joint School District (Bonds 2 and 3)	87.029-87.847	2,284,956
City of Pleasanton	100.	1,414,000
City of Pleasanton 1915 Act Bonds	100.	1,316,500
Dublin San Ramon Services District	0.007	120
TOTAL GROSS DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT		\$22,717,142^④
Less: City water bonds (100% self-supporting)		7,000
TOTAL NET DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT		\$22,710,142

	Ratio to 1977/78		
	Assessed Valuation	Estimated Real Value	Per Capita
Assessed Valuation	—	—	\$4,917
Gross Direct Debt (\$1,414,000) .....	.85%	.21%	42
Gross Direct and Estimated Overlapping Bonded Debt (\$22,717,142)	13.73	3.33	675
Net Direct Debt (\$1,407,000) .....	.85	.21	42
Net Direct and Estimated Overlapping Bonded Debt (\$22,710,142)	13.72	3.32	675

① Compiled in cooperation with California Municipal Statistics, Inc.

② Before deduction of \$15,005,210 homeowners and business inventory exemptions, the taxes on which are paid by the State of California.

③ State Board of Equalization reports 1977/78 Alameda County assessed valuations averaged 24.2% of full market value. Public utility property is assessed at 25% of full market value by the State Board of Equalization.

④ Excludes share of \$6,304,345 Alameda County lease-purchase obligations (\$197,326).

Table 18

DUBLIN SAN RAMON SERVICES DISTRICT**Statement of Direct and Estimated Overlapping Bonded Debt^①**

Estimated Population	26,993		
1977/78 Assessed Valuation	\$126,816,122 ^②		
Estimated Real Value	\$521,823,000 ^③		

Public Entity	Percent Applicable	Estimated Debt Applicable February 15, 1978
San Francisco Bay Area Rapid Transit District	1.012%	\$ 7,314,483
Contra Costa County and Building Authorities	1.465	30,105
Oakland-Alameda County Coliseum	0.685	152,849
Alameda County Flood Control and Water Conservation District, Zone No. 7	14.051	489,677
Contra Costa Community College Corporation	1.466	36,356
South County Joint Community College District	3.397	274,137
San Ramon Valley Unified School District	15.802	3,630,329
Amador Valley Joint Union High School District	26.086-26.362	2,033,815
Murray School District	59.134-59.745	2,175,803
Pleasanton Joint School District and Danville Union School District	0.027- 0.138	1,077
East Bay Municipal Utility District	0.999	1,363,984
Dublin San Ramon Services District ID No. 1	100.	1,725,000
Central Contra Costa Sanitation District	0.499- 0.518	28,492
City of Pleasanton	0.005	70
TOTAL GROSS DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT		\$19,256,177^④
Less: East Bay Municipal Utility District (100% self-supporting)		1,363,984
TOTAL NET DIRECT AND ESTIMATED OVERLAPPING BONDED DEBT		\$17,892,193

	Ratio to 1977/78		
	Assessed Valuation	Estimated Real Value	Per Capita
Assessed Valuation	—	—	\$4,698
Gross Direct Debt (\$1,725,000)	1.36%	.33%	64
Gross Direct and Estimated Overlapping Bonded Debt (\$19,256,177)	15.18	3.69	713
Net Direct Debt (\$1,725,000)	1.36	.33	64
Net Direct and Estimated Overlapping Bonded Debt (\$17,892,193)	14.11	3.43	663

① Compiled in cooperation with California Municipal Statistics, Inc.

② Before deduction of \$12,510,422 homeowners and business inventory exemptions, the taxes on which are paid by the State of California.

③ State Board of Equalization reports 1977/78 Alameda County and Contra Costa County assessed valuations averaged 24.2% and 24.4% of full market value, respectively. Public utility property is assessed at 25% of full market value by the State Board of Equalization.

④ Excludes share of \$8,487,280 Alameda County and \$7,335,271 Contra Costa County lease-purchase obligations (\$163,786).

Other Obligations and Contingencies

City of Livermore. The Airport Improvement Fund borrowed \$177,500 to construct hangars at the Livermore Municipal Airport. Resolution Number 21-73, dated February 5, 1973, authorized the City to execute an agreement with the Valley Bank. The loan agreement between the City and the Valley Bank is dated February 5, 1973, provides for an interest rate of 4½ percent, and further provides for the payment of principal at \$17,750 on July 15 of each year beginning in 1974 through 1983. As of the date of this Official Statement, the balance payable by the City is \$106,500.

An additional loan was made by the Airport Improvement Fund on June 21, 1976 in an amount of \$157,500 to construct more airport hangars. Resolution Number 141-76 authorized such an agreement with Wells Fargo Bank. The loan, dated June 10, 1976, provides for an interest payment of 7% and requires an annual payment of principal and interest of \$22,425 on July 15 of each year beginning in 1977 through 1986. As of the date of this Official Statement, the balance payable is \$145,151.

The terms of the above Airport Improvement Fund loan agreements restrict repayment of the loans to the proceeds of the hangar rentals only. The General Fund is not obligated at all by these agreements.

A collateral note was posted with Bank of America on October 2, 1963 for an amount of \$89,321 for the purchase of police radios from the Motorola Corporation. The annual payment, made from the General Fund, is \$18,000 inclusive of principal and interest. The final payment of \$18,000 will be made on February 15, 1978, money for which is presently available.

A lease and option to purchase agreement was executed with the United California Bank on May 26, 1976 in the amount of \$57,832.70, for the purchase of a fire truck from P. E. Van Pelt Company. The annual payment paid from the Public Property Improvement Fund is \$11,566.54 plus 7% interest. The final payment is due in September 1981. The unpaid balance as of February 15, 1978 is \$46,266.16.

A facility lease between the City and the Livermore Recreation Corporation was executed on October 15, 1965 which provided for the construction of the Las Positas Golf Course. The Corporation issued Lease Revenue Bonds in the amount of \$1,350,000 at a 4% interest rate. The City leases the improved facility with an annual payment of \$74,400. The

Corporation bonds outstanding as of February 15, 1978 are \$1,131,000 with the debt being fully amortized in 2004 at which time title to the improvements inures to the City.

The Report on Examination for the Fiscal Year Ended June 30, 1977, prepared by Bray & Burke, Certified Public Accountants, dated January 12, 1978, reports the following with respect to Contingent Liabilities: "The City's attorney informed us by letter dated January 9, 1978, of several pending lawsuits at June 30, 1977 that are not covered by insurance. The claims are nominal, or no amount is indicated, or nonmonetary except for the Alameda County Water District case which is for \$1,000,000."

City of Pleasanton. On July 1, 1973, the City of Pleasanton entered into an agreement with the City of Pleasanton Public Facilities Corporation to rent certain real property for City offices. The monthly base-rental is \$3,455 commencing on May 31, 1974 and continuing through April 30, 1984 in accordance with Section 3(a) of the lease. The total base-rental for the 10-year period is \$414,600. As of the date of this Official Statement, the balance of base-rental payable by the City is \$184,865.

Dublin San Ramon Services District. The District's sewage treatment plant and trunk sewer lines were financed by special assessment proceedings in 1960 and 1961. The costs of the improvements, which were designed to serve an area of approximately 16,000 acres were assessed against benefitted property owners of approximately 4,300 acres. Volk-McClain Communities Inc. was the principal benefitted property owner. The District entered into an agreement with Volk-McClain Communities Inc. to reimburse the corporation for the costs of excess capacity provided in the facilities.

The District's Report on Examination, June 30, 1977, prepared by Hansen & Company, Certified Public Accountants, states the following:

"A reimbursing agreement for the sewage disposal plant provides for the reimbursement of principal of \$2,089,559 and interest compounded at five percent per annum. However, District counsel is of the opinion that compound interest is without legal basis. In previous years, payments of \$1,297,401, including interest, were paid on this agreement. These payments were reported as expenditures when paid. No payment was made on this agreement during the current fiscal year. Litigation of what portion of the payments made to date apply to principal has resulted in a judgment

in the superior court for the District, where the District can be expected to pay \$29,052 with a potential additional sum of \$313,008 up to July, 1980. A Notice of Appeal has been filed. No provision has been made in the financial statements for the potential liability.”

In addition to the foregoing, the District’s Report on Examination, June 30, 1977 also states the following:

“Several other reimbursement agreements exist between the District and developers. The liabilities are all contingent upon the collection of special connection fees and the District is not directly liable for reimbursement.

On September 1, 1977, District was served with a complaint by another water district seeking \$1,000,000 in damages for nuisance and pollution. The District insurer has joined in the defense of this matter. The ultimate exposure of liability to the District is too speculative to define at this time.”

Pension Plans

All three member entities of the Agency have contracted with the State of California’s Public Employees Retirement System (PERS) to provide retirement benefits for all permanent employees.

At Livermore, 287 employees are enrolled in the state plan. In 1976/77 the city contributed \$384,148 to PERS in behalf of covered employees.

At Pleasanton, 165 employees are enrolled in PERS. The city’s 1976/77 contribution to the plan was \$261,248.

The Dublin San Ramon Services District paid approximately \$94,500 to PERS in 1976/77 for coverage on 77 employees (including five who work more than 50% of the work week). District employees are also enrolled in the Federal Social Security System.

The State Public Employees Retirement System (PERS) was established in 1931, and operates under provisions of the California Government Code. Membership at June 30, 1976 was 543,436, including employees of the State of California and employees of 1950 public agency employers under contract to PERS. Approximately two-thirds of all members are employees of these public agencies (cities, counties, school districts, special districts). The System’s funding is by employer and employee contributions together with investment income. Contributions fluctuate yearly depending on the number of members and

their respective salary schedules. The annual contribution by the State of California for the 1975 and 1976 fiscal years, as reported by the State Controller, was \$231,057,854 and \$289,502,746, respectively. The System’s financial statements are prepared on an accrual basis of accounting and the System’s auditor is Coopers and Lybrand, Sacramento, California. Citicorp Investment Management, Inc., San Francisco, provides investment advisory services. The System’s actuarial activities are conducted internally on a continuous basis, with an experience analysis being conducted no less than every four years. Benefit Technology of Santa Clara is the independent actuary for the System.

The most recent actuarial valuation, performed by PERS, utilized census data as of June 30, 1976. The total unfunded obligation of the System was determined to be \$6,753,964,123. The method used was entry age normal cost, which is a projected benefit cost method wherein level employer normal cost rates, considering present member contributions, are calculated at amounts sufficient to fund benefits over the entire service life of members.

Except for the pooling of certain public agency miscellaneous members, actuarial evaluations are performed for each participating employer, and the total accrued actuarial liability noted above is the sum of the individual employer accounts. A program for implementation of necessary contribution rate increases has been established, calling for a series of annual increases until appropriate employer rates are achieved on or before July 1, 1979.

Employee Relations

City of Livermore municipal employees are represented by the following organizations: International Association of Firefighters, Local 2318, Operating Engineers, Local 3 (police and public works), and Municipal Employees Associated for Negotiation (all others except confidential employees and management). Negotiations are now in progress for contracts expiring in 1978: public works (January), police (March), firefighters (April), and all others (July).

City of Pleasanton firemen are represented by the International Association of Firefighters, Local 1974, police by the Operating Engineers, Local 3, and others (except confidential employees and management) by the Pleasanton City Employees Association. Employment contracts with city firefighters extend to March 1979. Police and general employees have contracts extending to October 1978.

At Dublin San Ramon Services District, firemen are represented by the International Association of Firefighters, Local 1885. Miscellaneous employees are represented by the Service Employees International Union, Local 616. The latter is an organization which

represents Alameda County public employees. Negotiations have been completed on contracts as follows: International Association of Firefighters, Local 1885 (March 1, 1979), and Service Employees International Union, Local 616 (March 15, 1979).

ECONOMY OF THE AGENCY'S SERVICE AREA

The area served by the Livermore-Amador Valley Water Management Agency, hereafter referred to as the "Service Area", is located in eastern Alameda County and south central Contra Costa County. The Service Area includes the City of Livermore, the City of Pleasanton and the unincorporated communities of Dublin and south San Ramon which are served by the Dublin San Ramon Services District. The Service Area of approximately 36 square miles includes an estimated population of 115,000.

The Livermore-Amador Valley lies within the Diablo Range of north coastal California, between San Francisco Bay to the west and the San Joaquin Valley on the east. It is essentially a closed basin, surrounded on four sides by uplands. Developed portions of the Service Area generally lie at an elevation of 125-450 feet above sea level. The metropolitan areas of San Francisco and Oakland are approximately 35 miles and 20 miles, respectively, to the northwest.

The climate of the Service Area is moderate, and is not subject to coastal fogs or the dry heat of the Central Valley, to the east. In the Livermore-Amador Valley, the average minimum temperature is 51.3 degrees, the average maximum is 72 degrees, and the average mean temperature is 59.8 degrees. Average rainfall is 23 inches per year.

Prior to the 1960's, the economy of the Service Area was agriculturally oriented; however in recent years the Service Area's economic base has experienced considerable diversification through commercial and industrial development.

The Service Area's industrial base includes a substantial scientific and nuclear research and development complex as represented by Lawrence Livermore Laboratory, Hexcel, Inc., Sandia Laboratories, Kaiser Aluminum and Chemical Corporation, and Vallecitos Nuclear Center of General Electric Company. In addition several large firms (Lucky Stores, Inc., Amfac, and Hexcel Corporation) have relocated headquarters offices from the East Bay to locations in the Livermore-Amador Valley.

Many residents of the Service Area are employed in the eastern portion of the San Francisco Bay Area, an intensively developed and economically diversified area. Major East Bay industries include petroleum refining, metal fabricating, food processing, chemicals, and transportation equipment manufacturing (largely motor vehicles). Two intersecting interstate highways provide Service Area residents with convenient access to all regional employment centers. Extensive rail, port, and air transportation facilities link the East San Francisco Bay Area's industries to state, national, and international markets.

Population

Population growth throughout the Service Area more than doubled during the decade of the sixties. Since 1970, population growth has been substantial in the Cities of Livermore and Pleasanton and the unincorporated community of San Ramon. Population growth in Dublin has generally stabilized. Table 19 shows U.S. Census decennial data and the most recent population estimates for communities within

the Service Area, for Alameda County, and for Contra Costa County.

Table 19
Service Area and County Population Data

Entity	1960	1970	1977
City of Livermore	16,058	37,703	48,500 ^①
City of Pleasanton	4,203	18,328	33,650 ^①
Dublin (U)	—	13,641	14,244 ^②
San Ramon (U)	—	4,884	12,749 ^③
Alameda County	908,209	1,071,446	1,092,800 ^①
Contra Costa County	409,030	556,116	598,700 ^①

① January 1, 1977 estimate by State Department of Finance.

② Special Census 1976.

③ Special Census 1975.

Income and Housing

Family income and housing patterns from the 1970 Census for each community within the Service Area are presented in Table 20. Median family income ranged from \$12,440 to \$14,466, and mean family income from \$13,071 to \$15,585. In each

community, median family income was higher than the median for Alameda County (\$11,133) or for Contra Costa County (\$12,423).

Owner-occupied homes exceeded 71 percent of total housing units in all Service Area communities, with San Ramon reporting 94 percent owner occupancy. Owner occupancy was lowest in the City of Livermore (71.3 percent), principally because of the large numbers of scientific and professional personnel at Lawrence Livermore Laboratory and Sandia Laboratories. Many of these individuals are subject to re-assignment or transfer during their careers.

Area Industrial Development

A growing nucleus of scientifically oriented research and development firms is located within the Service Area and its immediate vicinity.

The Lawrence Livermore Laboratory, operated for the Federal government by the University of California employs over 6,700, including many professional and technical personnel. The Laboratory holds a pre-eminent position in nuclear research and development, complementing the works of the Lawrence Berkeley Laboratory. Adjoining the Laboratory to the south is Sandia Laboratory, which operates a nuclear engineering installation for the U.S. Department of Energy, employing 991.

Table 20
U.S. Census Data 1970 Family Income and Housing

	Dublin	Livermore	Pleasanton	San Ramon
Family Income (number of families):				
Under \$5,000	169	993	280	39
\$ 5,000- 9,999	483	2,002	613	117
10,000-14,999	1,564	3,432	1,589	419
15,000-24,999	867	2,694	1,856	378
25,000-49,999	106	424	236	88
50,000 or More	10	59	23	—
Total Families	3,199	9,604	4,597	1,041
Median Income	\$12,782	\$12,440	\$14,466	\$14,408
Mean Income	\$13,361	\$13,071	\$14,807	\$15,585
Housing:				
Total Units	3,505	11,431	5,528	1,084
Owner-occupied	2,724	8,149	5,035	1,020
Median Value	\$25,400	\$23,400	\$31,200	\$30,800
Median Rental (per month)	\$ 175	\$ 137	\$ 127	\$ 250

Other firms involved in nuclear research and development, located in or near the Service Area, include the General Electric Company and EG & G Corporation. General Electric's Vallecitos Nuclear Center, southeast of Pleasanton, employs approximately 525 in nuclear power research and development for public utility applications. The facilities of EG & G Corporation at San Ramon employ over 150 scientists and engineers in nuclear instrumentation, optics, photography, and vacuum systems development.

Research and development activities in the aerospace industry are represented by Hexcel, Inc. and M.B. Associates. Hexcel Corporation is engaged in the development and production of honeycomb structural components. Employment numbers approximately 160 at facilities in Livermore and Dublin. M.B. Associates employs 325 at San Ramon in the development and production of ordnance and rocket components.

One of the newest industrial research centers to become operational in the Livermore-Amador Valley is the Kaiser Aluminum and Chemical Corporation Center for Technology. Located on an 80-acre site adjacent to Interstate 680 in Pleasanton, the \$25,000,000 Center for Technology employs 250. Basic programs underway in the center, which centralizes all of the corporation's basic research, include research in metals, minerals, chemicals, environmental control, communications, packaging, energy applications and transportation.

Processor Technology Corporation, a developer and manufacturer of small computers and peripheral devices, recently relocated from Emeryville to a site in the Pleasanton Business Center, and currently employs 90. Nearby is the Clorox Company's Technical Center, employing 150 in the development and testing of household products.

Tenneco Chemicals Co. purchased an existing industrial plant in Pleasanton and engages in research and manufacturing of paint colorants, primarily for industrial use. The firm employs approximately 200 persons.

In Dublin, the centralized laboratories of Foremost Foods, a subsidiary of Foremost-McKesson, Inc., employs approximately 50 scientists and technicians in food technology, processing and packaging research. Cryodry, which employs approximately 40 is active in the production of industrial micro-wave heating equipment for the preparation of frozen vegetables.

The Shell Chemical Company has established divisional administrative headquarters at San Ramon. The facility provides employment for 325 administrative and managerial personnel. Pacific Gas and Electric Company's Engineering Research Laboratory at San Ramon, located on a 15-acre parcel, employs over 80 engineering and technical personnel. High voltage testing and other research work are carried on at the laboratory.

Important distribution facilities are located in the Livermore-Amador Valley. The western regional distribution center of the Eastman-Kodak Company, which employs 150, distributes photographic products throughout the western states and Alaska from its facility at San Ramon within the Service Area. Amfac's distribution complex in Dublin serves all of the Rhodes, Liberty House and Bazaar stores in Northern California. K mart, an affiliate of S. S. Kresge Co., has built a \$2.5 million facility on 11 acres in Dublin.

Regional publishing and distribution operations for Scholastic Magazines, Inc. are centered in Pleasanton. This firm employs 35-150, operations being geared to requirements of the school year and the demand for text books.

Although not among the largest employers, local wineries provide a contribution to the regional economy. Went Brothers, Concannon Vineyards, Cresta Blanca (Schenley Industries), Ruby Hill Vineyard, and Loretto Winery Ltd. (Villa Armando) market premium table wines and employ a combined total of about 150 workers.

At Camp Parks, east of Dublin, is the \$5.5 million Federal Youth Center, operated by the Bureau of Prisons, U.S. Department of Justice. The Center, which employs 140 persons, houses about 250 youths convicted of non-violent crimes and is run as a minimum security institution.

Largest employers in the Service Area and its immediate vicinity are listed in Table 21.

East San Francisco Bay Area

Service Area residents are also employed in the western portion of Alameda County and the central portion of Contra Costa County, more particularly the Oakland-Alameda, Hayward, and Concord-Walnut Creek areas. Industrial development within these areas is long established and diverse.

In these adjacent labor market areas, manufacturing industries are important sources of employment and include such activities as production of primary

Table 21

Largest Employers in the Service Area and Vicinity

Firm	Product/Service	Number of Employees
Lawrence Livermore Laboratory	Nuclear research	6,738
Sandia Laboratories	Nuclear engineering	991
General Electric Nuclear Center	Nuclear research	525
Veterans Administration Hospital, Livermore	Medical care	412
Eastman-Kodak Company	Distribution center	150
Hexcel, Inc.	Engineered materials	160
Security Devices (Systron-Donner)	Detection and intrusion equipment	100
EG & G Corporation	Nuclear instrumentation	170
M.B. Associates	Ordnance, aerospace items	325
Shell Chemical Company	Administrative offices, Agricultural Division	325
Intel Corp.	Electronics	375
Federal Bureau of Prisons	Youth correctional center	140
Pacific Gas and Electric Company	Research laboratory	80
Kaiser Aluminum & Chemical Corp.	Research center	250
Kaiser Sand & Gravel	Sand and gravel	149
Clorox Co.	Research and development	150
Scholastic Magazines Publishing Co.	Periodicals	35-150
Rhodes-Jamieson	Building materials	100
Amfac Distribution Center	Merchandise distribution	250
Robert Parker Research, Inc.	Digital thermometers	150
Primark Corp.	Label makers	95
Pleasanton Cabinet Shop	Cabinet works	60
Nuclear Specialties	Electronics, metal fabrication	50
Livermore Valley Unified School District	Education	1,132
City of Livermore	Government services	250
Valley Memorial Hospital	Medical care	325
Capitol Metals	Steel processing warehousing	83
California Steel Co.	Metal products	72
Livermore Data Systems	Computer manufacturer	100
Lox Equipment Co.	Cryogenic vessels	159
Wente Bros. Winery	Winery	60-90
Tenneco Chemicals Co.	Paint colorants	200
Lone Star Industries	Building materials	100
City of Pleasanton	Government services	167
Dublin San Ramon Services District	Government services	72
Lucky Stores	Headquarters offices	125

Sources: Original sources, Livermore Community Development Department, and local chambers of commerce.

and fabricated metals, production of nonelectrical and electrical machinery, petroleum refining, chemical and food processing and production of automobiles and trucks. Both General Motors and Ford have large assembly plants in the East Bay.

Wholesale and retail trade is a major source of employment in the Service Area and in nearby population centers. Added diversity and stability to the

economic base of the East San Francisco Bay Area is provided by substantial employment in the service industries and local, state and federal governments.

The most recent comprehensive employment report for East Bay counties, based on payroll withholding information supplied by employers, covers the second quarter of 1976. A total of 18,918 Alameda County employers reported 443,166 employees

as of June 1976. Some 8,777 Contra Costa County employers reported 167,011 employees for the same reporting period.

In Alameda County, manufacturing, services, and retail trade are the principal sources of employment. In Contra Costa County, local government, retail trade, services, and manufacturing provide the most jobs. Employment distribution by industry in each county is shown in Table 22.

In terms of total employment, the Oakland-Alameda area is one of the largest in the State. The City of Oakland, California's sixth largest, is the world headquarters of the 11 Kaiser companies and affiliated enterprises. Kaiser is Alameda County's largest private employer. Oakland also serves as national headquarters of Safeway Stores, Inc., the nation's largest retail grocery store chain. Major

companies which have substantial manufacturing facilities in the Oakland-Hayward area include Owens-Illinois, Inc., Caterpillar Tractor Company, and Western Electric Company. A list of major employers in the East Bay appears in Table 23.

Alameda County and Contra Costa County form part of the five-county San Francisco-Oakland Labor Market Area, for which labor statistics are reported on a current basis by the State Department of Employment Development. At September 1977, total civilian employment in this five-county area totaled 1,400,800, compared with 1,380,500 the previous September. The seasonally adjusted unemployment rates for September 1976 and 1977 were 10.2 and 8.3, respectively. The unadjusted rates were 9.5 and 7.7, respectively, reflecting a slight drop in the labor force and the rise in employment noted above.

Table 22
East Bay Labor Markets
Employment By Industry

Industry	Alameda County		Contra Costa County	
	No. of Employers ^①	No. of Employees ^②	No. of Employers ^①	No. of Employees ^②
Agriculture	363	3,695	385	3,263
Mineral Extraction	15	1,167	12	319
Construction	1,434	17,268	1,002	9,494
Manufacturing	1,654	80,385	451	25,647
Transportation, Utilities	579	28,327	268	9,693
Wholesale Trade	1,493	25,699	475	6,789
Retail Trade	4,485	71,346	2,196	33,878
Finance, Insurance, Real Estate	1,727	21,874	753	6,980
Services	6,456	74,292	3,022	27,237
Federal Government	42	23,024	17	5,455
State Government	390	38,524	58	774
Local Government	103	56,534	64	37,165
Other	177	1,031	74	317
Totals ^③	18,918	443,166	8,777	167,011

① Second quarter, 1976.

② Month of June, 1976.

③ From quarterly reports of employers reporting Unemployment Insurance and Disability Insurance taxes or Personal Income Tax withholding. Excludes domestic workers and self-employed persons.

Source: California Employment Development Department.

Table 23

Selected Major Employers in the East San Francisco Bay Area
1,000 or More Employees

Firm	Product/Service	Estimated Employment
University of California	Berkeley Campus and Dept. of Energy laboratories	16,000
Alameda Naval Air Station	U. S. Navy Facility	1,413*
Kaiser Companies	World-wide headquarters	5,200
Alameda County	County governmental operations	8,500
General Motors Corporation	Passenger cars and trucks	5,657
Pacific Telephone Company	Utility service	5,799-6,299
Oakland Unified School District	Elementary and secondary schools	6,400
Del Monte Corporation	Food packing	985-2,295
Montgomery Ward Company	Retail department stores	3,230-3,890
Southern Pacific Transportation Co.	Freight and passenger transportation	3,500
Oakland Army Base	Military cargo and passenger terminal	1,600
Ford Motor Company	Motor vehicles	4,000
Pacific Gas and Electric Company	Gas and electric utility	3,550-3,675
Naval Supply Center, Oakland	U. S. Naval Supply Center	1,900
Sun Valley Shopping Center, Concord	Retail complex	3,000
Safeway Stores, Inc.	Retail grocery	2,154
Naval Weapons Station, Concord	Ordnance	2,500
Owens-Illinois, Inc.	Glass and corrugated containers	2,040
California State University, Hayward	State University	1,500
Hayward Unified School District	Public schools	2,000
Berkeley Unified School District	Public schools	1,800
Alameda/Contra Costa Transit Dist.	Mass transit	1,847
Caterpillar Tractor Company	Fuel injection equipment for diesel engines	1,769
Mervyn's	Retail department stores	1,650-1,725
Fremont Unified School District	Public schools	2,600
H. C. Capwell & Company	Retail department stores	1,585-1,695
Systron-Donner Corporation	Electronics	1,400
Blue Cross of Northern California	Northern California headquarters	1,600
Sears, Roebuck & Company	Retail department stores	1,060-1,210
Bank of America N.T. & S.A.	Banking-regional headquarters	1,702-1,769
Western Electric Company	Telephone apparatus for the Bell System	1,010
World Airways, Inc.	Headquarters charter airline	1,500
Pacific States Steel Corporation	Grinding balls, rods, and forgings	800-1,100
Standard Oil Company, Concord	Customer service division	1,500
Lucky Stores, Inc.	Retail grocery chain	1,280
National Health Enterprises	Convalescent hospitals	900-1,000
Todd Shipyards Corp.	Ship repair	300-1,000
U. S. Postal Service	Mail service	4,000
Bay Area Rapid Transit District	Transportation	1,700
Naval Medical Center	U. S. Navy hospital	1,700
City of Berkeley	Government	1,815
City of Oakland	Government	3,500
Pacific States Steel Corp.	Structural steel manufacturer	800-1,100
Diablo Systems, Inc.	Computer peripheral equipment	1,350
Kaiser/Permanente	Health care	3,021
Merritt Hospital	Medical care	1,000
Fremont-Newark C. C. District	Education	1,000
Contra Costa C. C. District	Education	1,516
Chabot College	Community college	1,100

*Civilian employees.

Sources: Community Profiles and Oakland Chamber of Commerce.

ALAMEDA COUNTY

Wage and Salary Employment

Annual Averages

Industry	Actual		Forecast	
	1975	1976	1977	1978
Durable goods manufacturing	47,400	48,100	49,200	49,500
Nondurable goods manufacturing	29,900	30,600	30,400	30,900
Mining and construction	18,700	17,900	18,700	19,600
Transportation and public utilities	29,300	29,100	28,900	28,900
Wholesale trade	27,000	27,200	27,300	27,500
Retail trade	68,300	71,200	72,900	74,700
Finance, insurance, and real estate	21,600	22,300	23,000	23,300
Services	74,600	77,600	79,800	82,100
Federal government	23,000	22,400	22,400	22,400
State and local government	89,500	92,600	94,100	95,800
Total nonagricultural employment	429,300	439,000	446,700	454,700
Agriculture	3,800	3,900	3,900	4,000
Total wage and salary employment	433,100	442,900	450,600	458,700

Source: California Employment Development Department.

State labor analysts have prepared a forecast of employment in Alameda County which is summarized in the tabulation above. Of the 8,100 new jobs forecast for 1978 (over 1977), 5,800 will come from services, retail trade, and state and local government.

Transportation

The intersection of two heavily traveled interstate highways is near the center of the Service Area, providing ready access to the extensive transportation network of the San Francisco Bay Area. East-west Interstate 580, which traverses the Service Area, connects San Francisco-Oakland with the San Joaquin and Sacramento Valleys. To the west, a connection with State Highway 17 leads to the Port of Oakland and Oakland International Airport. North-south Interstate 680, which connects with Interstate 580 at Dublin, follows the San Ramon and Amador Valleys, leading to Sacramento on the north and San Jose in the south. State Highway 84 connects Livermore with Fremont, Newark and the Menlo Park-Palo Alto area via the Dumbarton Bridge.

The Service Area lies within the three-county Bay Area Rapid Transit District. Feeder bus service to BART stations at Bay Fair, Walnut Creek, and Hayward is provided by the Alameda/Contra Costa Transit District, which schedules numerous trips

daily. This service includes the Lawrence Livermore Laboratory and the Sandia Corporation Terminal. During recent widening of Interstate 580 west of the Service Area, a lane was provided for possible future use of BART fixed rail or fast motor coach service.

Greyhound Bus Lines provides regional transportation, maintaining a terminal at Livermore.

Direct rail service to the area is provided by Southern Pacific and Western Pacific. Connections are made with the Santa Fe Railway at nearby points.

Trucking service is available from over 100 transcontinental and coastal lines which operate in the East Bay Area. Overnight trucking service is available to Los Angeles, Reno and Southern Oregon. Second morning delivery is available to such points as San Diego, Seattle, Portland and Salt Lake City.

Oakland International Airport and the San Jose Airport are less than an hour's drive via freeway from the Service Area. The Livermore Municipal Airport provides service for personal, business and executive aircraft. More than 200 aircraft are based there. An FAA control tower was constructed at the airport in 1973. The lighted runway is 4,000 feet long.

Deepwater transportation is available at the Port of Oakland, readily accessible from the Service Area via the Interstate 580 and California 17 freeways.

Utilities

Electricity and natural gas are supplied throughout the Service Area by Pacific Gas and Electric Company. Telephone service is provided by the Pacific Telephone Company.

Water service within the City of Livermore is provided by the California Water Service Company and the City of Livermore. Water service within Pleasanton is provided by the City of Pleasanton. Water service within Dublin is provided by the Dublin San Ramon Services District. The East Bay Municipal Utility District provides water service to the Contra Costa County portion of the Dublin San Ramon Services District.

Education

Public educational services in the Service Area are provided by the Livermore Valley Joint Unified School District (grades K-12), the Pleasanton Joint School District (K-8), the Murray School District (K-8), the Amador Valley Joint Union High School District, and the San Ramon Valley Unified School District (Contra Costa County). Enrollments for these school districts for 1970/71 and 1976/77 are shown in Table 24.

Local public education beyond high school for Alameda County residents is administered by the South County Joint Community College District, which operates the Chabot College Valley Campus in Livermore. The Valley Campus opened in the Spring of 1975 at a 147-acre site in the northern

city limits of Livermore. The initial enrollment of 500 students has expanded to a current enrollment of over 2,000, and the first temporary structures have given way to attractive permanent buildings on its hillside location north of Interstate 580. The evening and extension programs have an enrollment of 800 to 1,000 students in a wide variety of basic college and terminal classes. Chabot College is supported by local taxes and offers a two-year certificate in a number of vocational and academic fields. Its main campus is at Hayward, in southern Alameda County. Combined enrollment of the Hayward and Livermore campuses in the fall of 1977 was 19,522.

Students residing in Contra Costa County are served by Diablo Valley College in Pleasant Hill. One of three campuses operated by the Contra Costa Community College District, this two-year institution enrolls approximately 17,000 Day and Extended Day students.

The University of California operates an extension facility of the Department of Applied Science on the grounds of the Lawrence Livermore Laboratory, east of Livermore.

The San Francisco Bay Area has outstanding colleges and universities. The University of California at Berkeley, California State University at Hayward, Mills College, St. Mary's, and the College of the Holy Name are noted institutions in the East Bay. In the West Bay are the University of San Francisco, Stanford, Santa Clara University, San Jose State University, and San Francisco State University.

Table 24

Public School Enrollments

District	1970/71 School Year			1976/77 School Year		
	K-8	9-12	Total	K-8	9-12	Total
Livermore Valley Joint Unified School District	8,963	3,164	12,127	9,694	4,344	14,038
Pleasanton Joint School District	4,180	—	4,180	5,208	—	5,208
Murray School District	5,321	—	5,321	5,119	—	5,119
Amador Valley Joint Union High School District	—	3,143	3,143	—	4,826	4,826
San Ramon Valley Unified School District① . .	6,368	2,725	9,093	8,480	4,024	12,504
Totals	24,832	9,032	33,864	28,501	13,194	41,695

① Located within the Service Area are four elementary schools, one intermediate school, and one high school. This District also serves the unincorporated communities of Danville and Alamo.

Source: Alameda County Superintendent of Schools and Contra Costa County Superintendent of Schools.

Community Facilities

Hospitals in the Service Area and its vicinity include the 112-bed Valley Memorial at Livermore, the 191-bed Veterans Administration Hospital at Livermore, Eden Hospital in Castro Valley, John Muir Hospital and Kaiser Hospital, both in Walnut Creek.

The following banks maintain branch offices in the Service Area: Bank of America NT & SA, Crocker National Bank, Lloyds Bank, Security Pacific National Bank, United California Bank, Valley Bank National Association, First National Bank of Pleasanton, and Wells Fargo Bank. Additional financial services are available at local offices of savings and loan associations as follows: Citizens Savings and Loan, Northern California Savings and Loan, Franklin Savings and Loan, World Savings and Loan, Home Savings and Loan, Homestead Savings and Loan, and State Savings and Loan Association.

Local newspaper coverage is provided by the Valley Times, the Tri-Valley Herald, the Livermore Independent and the Pleasanton Times. San Francisco-Oakland metropolitan newspapers are available daily throughout the Service Area. Seven television channels are received direct, and a community CATV company provides additional coverage for subscribers. KKIQ Stereo FM broadcasts from Livermore.

The City of Livermore maintains a 60,000-volume municipal library. The East Bay Cooperative Library System has branches at Pleasanton and Dublin.

Recreation

The Cities of Pleasanton and Livermore and the Dublin San Ramon Services District carry out active local recreation programs which are discussed in subsequent sections of this Official Statement. These local programs are supplemented by those of the East Bay Regional Park District, which has carried out an extensive land acquisition program for development of future recreational facilities and to provide adequate open space for adjacent communities. One of the major parks in the expanding system is the 3,479-acre Sunol Regional Wilderness, south of Pleasanton. Del Valle Regional Park, five miles south of Livermore, has 3,445 acres, including a five mile lake for boating, fishing, and swimming. Shadow Cliffs Regional Recreation Area, near Pleasanton, was opened in 1971 for swimming, boating and hiking. Las Trampas Regional Wilderness, in the San Ramon Valley, is a primitive area of 3,111 acres.

Currently in a "land bank" status is Tassajara Creek Regional Land Bank (formerly Camp Parks), an area of 451 acres northeast of Dublin. Development is pending. Also awaiting development is the Ridgeland Regional Wilderness (4,236 acres), south of Pleasanton and Livermore.

The Service Area is located within convenient driving distance of Mt. Diablo, site of Mt. Diablo State Park. Operated on a year-round basis by the California State Department of Parks and Recreation, the park contains over 5,500 acres of camping, hiking, picnicking and riding facilities.

The 15,000-seat Livermore Valley Stadium, in the City of Livermore, is the site of an annual rodeo and other public attractions. The Alameda County Fairgrounds, located in Pleasanton, features horse-racing on a one-mile track as well as facilities for group meetings, activities, and exhibitions.

There are many fine golf courses in the area. Within the Service Area are the San Ramon National Golf Club, Pleasanton Fairways, Las Positas Golf Course, and Springtown Golf Course, the latter two being in Livermore. Other well-known courses in the vicinity include Castlewood Country Club (two courses), Sunol Valley Golf Course, and Round Hill Country Club.

Within an hour's drive of the Service Area are the cultural and recreational advantages of the San Francisco-Oakland Metropolitan Area. Less than two hours to the east are the lakes, streams, campgrounds and hiking trails of the Sierra Nevada.

City of Livermore

The City of Livermore, a general law city, was incorporated on April 1, 1876. It operates under the Council-Manager form of government and is governed by a five-member City Council whose members are elected at-large for overlapping four-year terms.

Mr. William H. Parness, City Manager, has served the City in this capacity since 1957. Mr. Parness holds an A.B. degree in Public Administration from the University of California, Berkeley.

As of January 1, 1977, the City had an estimated population of 48,500 according to the State Department of Finance. The City Planning Department projects a population of 67,300 for 1990. The Livermore General Plan calls for community action to control population growth in the City to an annual growth rate of two percent, or less.

The City employs 287 personnel and provides police, fire protection, public works, planning, water, and building inspection services.

The City has 60 employees and 35 reserve personnel in its Police Department. The Fire Department is staffed by 48 employees. The City's fire insurance rating is four.

A new 42-acre Civic Center is presently under development on South Livermore Avenue. A Municipal Library and a Police Department Building have been completed and are now occupied. Planned are an Administration Building, an auditorium, and cultural buildings. State-County offices, court facilities and a park will also occupy the site.

The Livermore Area Recreation and Park District operates 26 parks and community recreation facilities, and has 10 other park sites aggregating 437 acres earmarked for development.

Building Permit Valuations. Because of the impact of rapid population growth on costs of public service and facilities, the City's General Plan calls for the control of population growth to an annual rate of two percent or less. This is reflected in the summary of building permits and valuations by individual years as shown in Table 25. In the past four years, permits for approximately 350 housing units were approved compared with over 500 in 1973 alone.

The City is, however, attempting to encourage new industrial and commercial expansion in order to balance city growth and to create more local jobs.

In this connection a new department of community development has been formed by the city council and a full-time director of the department assumed his duties on April 1, 1976.

Taxable Sales Transactions. Taxable sales transactions in Livermore have evidenced significant growth. Since 1970 the number of sales outlets has increased by 356, and taxable transactions have more than doubled. This pattern of growth is illustrated in Table 26.

Table 26
CITY OF LIVERMORE
Taxable Sales Transactions

Year	Permits	Transactions
1971	581	\$52,673,000
1972*	617	58,199,000
1973	663	64,594,000
1974	727	71,524,000
1975	780	80,825,000
1976	842	93,415,000
1977 (6 mos.)	871	54,646,000

* Sales of gasoline became taxable July 1, 1972.
Source: State Board of Equalization.

Table 25
CITY OF LIVERMORE
Building Permit Valuation

Year	Total Building Permits	Total Valuation	Housing Units		Sewer Connections
			Single	Multiple	
1970	1,355	\$17,958,834	784	75	818
1971	2,037	32,576,936	1,301	418	1,322
1972	2,011	30,925,172	1,116	410	1,144
1973	1,415	19,439,092	508	—	527
1974	866	13,376,550	5	96	26
1975	982	6,485,550	49	—	62
1976	1,108	18,212,845	123	7	137
1977 (11 months)	1,350	8,227,273	68	4	78

Source: City of Livermore Building Inspection Department.

City of Pleasanton

The City of Pleasanton, a general law City, was incorporated on June 13, 1894. It operates under the Council-Manager form of government and is governed by a five-member City Council whose members are elected at-large for overlapping four-year terms.

Mr. Clayton E. Brown, City Manager, was appointed to his position in July, 1977. His prior professional experience includes eight years of service as Deputy City Manager and Director of Budget and Staff Services, City of Palo Alto, California and Administrative Assistant, City of Phoenix, Arizona. Mr. Brown holds a Masters of Arts degree in Public Administration from the University of Texas.

Pleasanton's population has grown from 4,203 in the 1960 U.S. Census to an estimated 33,650 as of January 1, 1977. The City's General Plan projects a population of 48,000 in 1996.

City services include water, sewerage (to areas not served by the Dublin San Ramon Services District), police, fire protection, public works, planning and zoning, and building inspection. The City employs 167. The City's fire insurance rating is four.

Building Permit Valuations. In the past five years, the City of Pleasanton has granted building permits valued at more than \$83 million. About two-thirds of total building permit valuation during this time consisted of new residential construction. A

moratorium on residential sewer connections imposed in 1973 caused new residential valuation for 1974 to drop to \$257,000, compared with \$15,980,000 the previous year. Building permit valuations since 1973 is summarized in Table 27.

Taxable Transactions. In the past six years, more than 300 new outlets have been added to commercial establishments reporting taxable sales in Pleasanton. The steady growth in taxable sales volume in the city is shown in Table 28.

Table 28
CITY OF PLEASANTON
Taxable Transactions

Year	No. of Permits	Taxable Transactions
1971	217	\$21,687,000
1972*	262	26,883,000
1973	315	35,321,000
1974	357	35,535,000
1975	428	42,915,000
1976	474	54,199,000
1977 (6 mos.)	527	29,477,000

* Sales of gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.

Table 27
CITY OF PLEASANTON
Building Permit Valuation
(Thousands of Dollars)

	1973	1974	1975	1976	1977 (10 Mos.)
New residential	\$15,980	\$ 257	\$21,530	\$11,831	\$ 7,278
Other residential	281	734	1,004	1,211	1,168
New commercial and industrial	5,539	1,534	2,683	4,552	2,296
Other non-residential	954	942	1,630	1,121	1,265
Total Valuation	\$22,754	\$3,467	\$26,847	\$18,715	\$12,007
Number of New Dwelling Units:					
Single	620	8	603	310	145
Multiple	131	—	23	27	53
Total Units	751	8	626	337	198

Source: *California Construction Trends*, Security Pacific Bank.

The City has approved plans of Bayshore Properties to construct a major regional shopping center on a 168-acre site in north Pleasanton. In the first stage of construction, estimated to cost \$30 million, department stores will be built by Sears, Capwell's and J. C. Penney Co. When fully developed, this shopping complex is expected to have five major department stores and will represent a total investment of approximately \$60 million, according to the developer.

Dublin San Ramon Services District

The Dublin San Ramon Services District (formerly the Valley Community Services District) was established in 1960 to serve the unincorporated communities of Dublin (Alameda County) and San Ramon (Contra Costa County). The District is governed by a Board of Directors whose five members are elected at-large for four-year overlapping terms.

Mr. Paul J. Ryan, General Manager, was appointed to his position in 1967. He has had twenty-one years of professional public administration and management experience. He holds a Master of Public Administration degree from the University of Southern California.

The District has 72 employees and provides the following services: water (Dublin only), parks and recreation, refuse collection and disposal, fire protection,

and sewage treatment and disposal. The Fire Department, manned by a staff of 28 professional firefighters maintains fire stations at Dublin and San Ramon. Refuse collection and disposal is provided through franchise arrangements with the Dublin Disposal Service, a private company located in Livermore. Residents of San Ramon receive water from the East Bay Municipal Utility District, the District's billing agent in Contra Costa County. The District also provides sewage treatment and disposal services to certain portions of the City of Pleasanton.

The District maintains ten park sites and two swim centers, including an Olympic-size pool adjacent to California High School. The Shannon Park Community Center serves as the main recreation office and sponsors a variety of community activities for all ages throughout the year.

Construction Activity. Building permit valuation data are not available for the Dublin-San Ramon area. However, an indication of new construction activity can be derived from the District's records of sewer connections for recent years shown in the tabulation below. The information which follows excludes new sewer connections in the City of Pleasanton, which compiles building permit information separately.

Between 1971 and the first eleven months of 1977, inclusive, the District reports a total of 1,700 new

DUBLIN SAN RAMON SERVICES DISTRICT

New Sewer Connections by Years
(Excludes City of Pleasanton)

	1971	1972	1973	1974	1975	1976	1977 (11 Mos.)
Single Family Residential:							
Contra Costa County	774	277	2	47	48	88	138
Alameda County	53	10	106	57	20	72	8
Total	827	287	108	104	68	160	146
Multiple Unit Residential:							
Contra Costa County	—	349	—	—	—	—	—
Alameda County	180	—	—	—	—	—	—
Total	180	349					
Commercial:							
Contra Costa County	—	9	—	1	3	1	3
Alameda County	22	13	10	12	20	16	8
Total	22	22	10	13	23	17	11

Source: Dublin San Ramon Services District.

sewer connections for single family homes in Dublin-San Ramon, with the greater part of this activity taking place in the San Ramon area. There were 118 new commercial connections during this time, mostly in Dublin. There have been no sewer connections for multiple residential units since 1972.

Commercial Activity. Taxable sales data are not available for the unincorporated communities of Dublin and San Ramon. In Dublin, commercial activity has accelerated sharply in recent years as the new

Mervyn's and Liberty House department stores and several new shopping centers have come into operation. The latter include Village Square, Valley Center, and Dublin Square. In San Ramon, Alcosta Mall has a supermarket and a number of specialty shops. Presently under development in the northern part of the District is the San Ramon Village Shopping Center, a neighborhood type commercial center with an Alpha Beta Market and convenience shops to be constructed. It will serve the rapidly growing northeastern section of the District and adjoining areas.

78 01310

U.C. BERKELEY LIBRARIES



C123309444

INSTITUTE OF GOVERNMENTAL
STUDIES LIBRARY

SEP 05 2024

UNIVERSITY OF CALIFORNIA

